United States Department of the Interior
Bureau of Land Management

Working Together for the Health of America's Public Lands

1997 Annual Report

F O R E W O R D

The BLM is a diverse and geographically dispersed agency charged with the complex mission of managing 264 million acres of public lands and their myriad resources across some 30 States. The Bureau's workforce includes more than 10,000 permanent, temporary, seasonal, and other employees located in over 200 headquarters, center, and field offices.

In managing the Nation's vast public land holdings, the BLM performs many tasks: resource inventory, land use planning, environmental impact assessment, land surveying, road construction, fish and wildlife habitat restoration, and resource condition monitoring, to name a few.

All of these activities involve working together with many different partners, stakeholders, and customers, including:

- The general public
- Adjacent property owners
- Livestock grazing permittees
- Purchasers of timber and other vegetative products
- Energy and mineral producers
- Recreation users
- Other Federal agencies
- State, Tribal, and local governments
- Public interest groups

Effective partnerships and continuous customer feedback are essential to managing our Nation's public lands and the wealth of resources they offer.

Along with our partners, our customers, elected officials, and the general public, we are working hard to restore and maintain the health of America's public lands . . . and ultimately the health of our Nation and its many diverse peoples.

"Synergy is everywhere in nature . . . . If you put two pieces of wood together, they will hold much more than the total of the weight held by each separately. The whole is greater than the sum of its parts. One plus one equals three or more."

Stephen R. Covey

Fiscal Year 1997

AT A GLANCE

The Mission

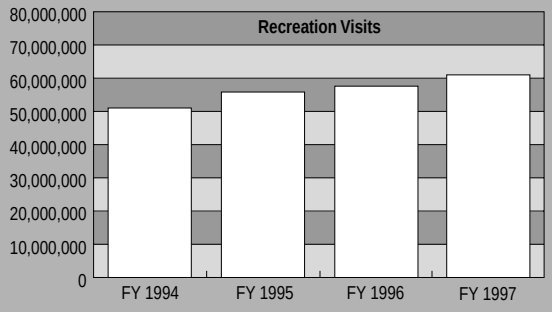
It is the mission of the Bureau of Land Management to sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

National Monument

The Grand Staircase-Escalante National Monument, created by Presidential Proclamation September 18, 1996, is a dramatic, multi-hued landscape that is rich in natural and human history. Extending across 1.7 million acres of Utah public lands managed by the BLM, the Monument represents a unique combination of archeological, historical, paleontological, geological, and biological resources. The Bureau is working closely with State and local government officials and citizens to protect the land while allowing, within the proper conservation context, a number of traditional uses that will help keep people on the land and preserve our Western heritage.

Recreation

Studies indicate that 94.5% of the U.S. population participates in some form of outdoor recreation, and the demand for recreation will continue to expand as the U.S. population increases.



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Energy and Minerals

Of the total $1.4 billion in annual revenues from BLM-managed lands, energy and minerals generated over $1.3 billion (most of which was collected by the Minerals Management Service) from mineral royalties, rents, bonuses, sales, and fees. Energy and minerals also generated 98% of the total $12.4 billion of production value from the public lands. The total direct and indirect economic output impact of the mineral production value amounted to $26.6 billion out of the $27.5 billion total in commercial activities.

Livestock Grazing

The BLM authorizes livestock grazing for more than 17,000 operators on about 164 million acres of public land in 16 Western States, providing nearly 9.8 million animal unit months of grazing. A total of 88% of the cattle produced in Idaho, 64% of the cattle in Wyoming, and 63% of the cattle in Arizona graze at least part of the year on public rangelands.

Wild Horses and Burros

In 1997, a total of 10,443 wild horses and burros were removed from the range, with 8,692 animals adopted through BLM's popular Adopt-A-Horse or Burro program. The remaining animals are still in our facilities awaiting adoption. The Adopt-A-Horse or Burro program is very active in the continental United States. Approximately 100 adoptions are held across the country each year.

Fiscal Year 1997

AT A GLANCE

Cultural Heritage

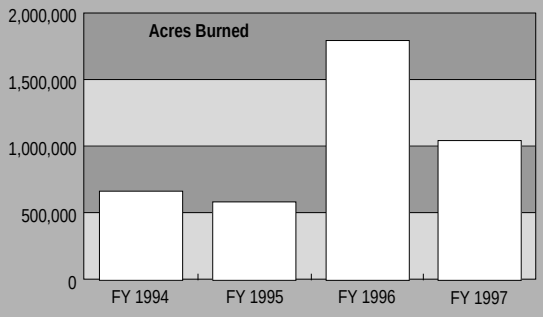
The Bureau inventoried 623,170 acres for cultural resources, recorded 9,939 properties, and issued or had in effect 448 study or management permits (excluding permits for paleontological collecting). To date, the Bureau has inventoried a total of 12.9 million acres and recorded 212,342 cultural resource properties. Of these, 241 are listed on the National Register of Historic Places, with 22 listed as National Historic Landmarks.

Natural Heritage

The BLM continued its stewardship of 136 Congressionally designated wilderness areas (5.3 million acres) and its management of 622 wilderness study areas (18 million acres). The Bureau also continued to manage 34 Wild and Scenic River segments totaling 2,022 miles and exercised stewardship responsibilities for eight National Conservation Areas (11.7 million acres), one National Scenic Area (65,000 acres), one National Recreation Area (1 million acres), 43 National Natural Landmarks (600,000 acres), 100 Research Natural Areas (326,000 acres), and two Globally Important Bird Areas (56,500 acres).

Fire Suppression

The Bureau suppressed 2,046 wildland fires on BLM lands that burned a total of 1,037,144 acres and helped suppress an additional 624 fires on 468,788 acres of non-BLM lands. Overall, 80% of these fires were controlled at 10 acres or less and 90% were controlled at 100 acres or less.



Hazardous Materials

This past year, the BLM carried out 162 removal actions (short-term, rapid responses to hazardous substance releases) and conducted 11 remedial actions (longer-term responses leading to a permanent remedy). Among these was the cleanup of the Monite Explosives site in Sparks, Nevada; several thousand cubic yards of soil

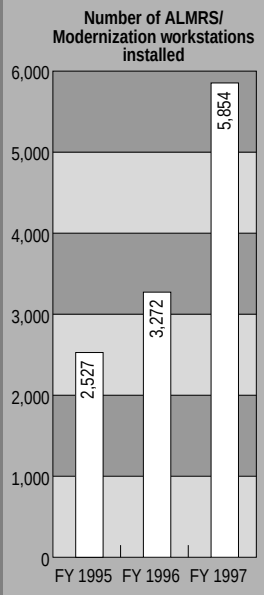
Fiscal Year 1997

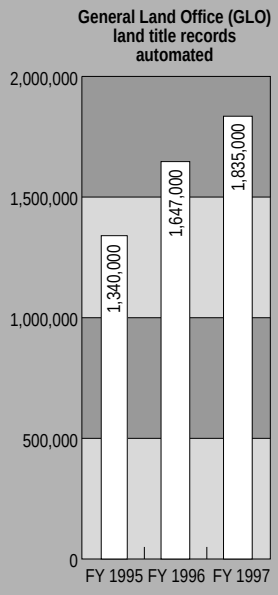
AT A GLANCE

contaminated with TNT and DNT were removed to hazardous waste disposal facilities. This is the largest cleanup that the Bureau has ever conducted.

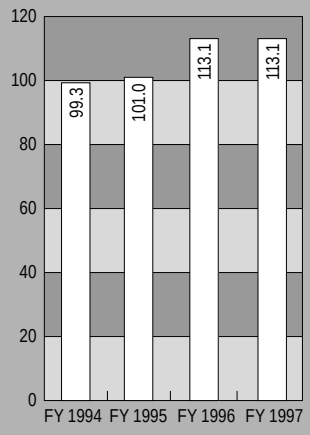
ALMRS/Modernization

The Bureau's work on the Automated Land and Mineral Record System (ALMRS) moved forward this past year with capability demonstration assessments, development of an ALMRS transition/deployment plan for BLM's State Offices, and staffing assessments/site readiness reviews for four States and the Bureau's National Centers. Data has been collected and verified for 24,363 townships (77% of the total townships planned) for inclusion in the Geographic Coordinate Database; 22,126 townships (70%) are ready for input into ALMRS.



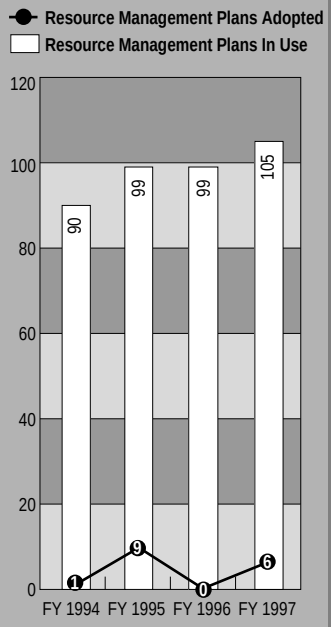


Payments in Lieu of Taxes



Each year, the Bureau calculates and remits the Payments in Lieu of Taxes (PILT) to counties. These payments are designed to offset property tax shortfalls (under a Congressional formula) occurring in counties with public land holdings. The 1997 level was virtually the same as that for 1996, with both years being significantly higher than the FY 1994 and 1995 levels.

Community-Based Planning



In fiscal year 1997, the BLM expedited the review of planning protests to complete six Resource Management Plans (RMPs) along with integrated Environmental Impact Statements (EISs). Five RMPs are in progress and one new RMP will begin in FY 1998.

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Volunteer Program

The Bureau's Volunteer Program continues to be successful, making an enormous contribution to BLM's efforts and successes. Bureauwide, 16,522 participants worked a total of 1,139,074 hours for a cash value to the BLM of $11,750,928 in FY 1996 (the most recent year for which data is available). The programs attracting the most interest were recreation (48%), biological resources and wild horses & burros (both 13%), and cultural and historical resources (8%).

Business Practices

The Bureau is developing a Management Information System (MIS) that will meet the agency's need for simpler, more flexible systems and meet BLM managers' needs for business information. In FY 1997, initial prototyping of the financial data system occurred, with full implementation of the financial and budgetary data module plus initial billings and collections, performance data, and property data modules scheduled for late FY 1998. The Bureau has also redesigned its entire acquisition system to save an estimated $1 million internally, as well as savings on the cost of the goods and services themselves—perhaps as much as $12 million by the year 2000.

Customer Service

Under the Trading Post Initiative, the Bureau has joined with the U.S. Forest Service in Colorado and Oregon to provide "one-stop shopping" for the public. The BLM has also refined its customer research methodology and conducted customer satisfaction surveys of State and local government officials, stakeholders and partners, and wild horse and burro adopters.

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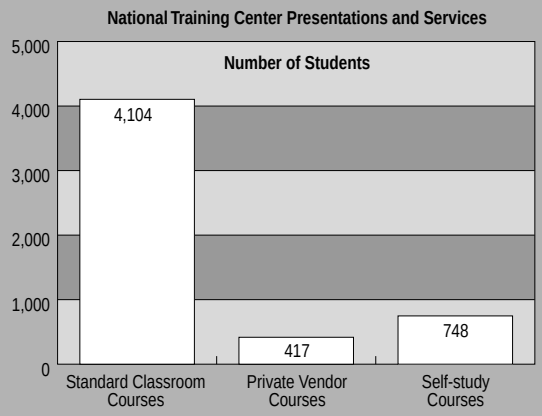
AT A GLANCE

Human Resources Management

The Bureau, through its National Training Center in Phoenix, expanded its use of satellite broadcast technology to present training (16 live broadcast days reaching more than 10,000 students through 122 downlink sites); this significantly reduced travel costs and time away from the job for field offices. The BLM also completed a multiyear Workforce Diversity Program Plan and revitalized its cooperative work-study education program.



Strategic Plan

The Bureau has issued its first Strategic Plan under the Government Performance and Results Act, which requires all agencies to have strategic plans, performance measures, and a way to evaluate progress toward their goals. BLM's Strategic Plan, which outlines the mission-oriented goals and objectives for the agency over the next 3 to 5 years, is an overarching statement of priorities, future direction, and performance goals for the Bureau. Resource allocations (i.e., which programs and offices get funding) and daily operational decisions are already starting to be linked to the Strategic Plan through a required Annual Performance Plan that will be transmitted to Congress.

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V I S I O N

- Provide for a wide variety of public land uses without compromising the long-term health and diversity of the land and without sacrificing significant natural, cultural, and historical resource values;

- Understand the arid, semi-arid, arctic, forest, and other ecosystems that the BLM manages and commit to using the best scientific and technical information to make resource management decisions;

- Resolve problems and implement decisions in collaboration with other agencies, states, Tribal governments, and the public;

- Understand the needs of rural and urban publics and provide them with quality service;

- Maintain a skilled and highly professional work force;

- Clearly define and achieve objectives through the efficient management of financial, human, and information resources;

- Efficiently and effectively manage land records and other spatial data; and

- Commit to recovering a fair return for the use of publicly-owned resources and to avoiding the creation of long-term liabilities for the American taxpayers.

DIRECTOR'S LETTER

As the new Director of the Bureau of Land Management, I am proud to present this report of our accomplishments for 1997. Working hand-in-hand with our partners and customers, we have moved forward on many fronts to restore and maintain the health of America's public lands.

One of the highlights has been the hard work and accomplishments of the 24 Resource Advisory Councils established throughout the western States. These Councils provide a forum for local citizens to sit down together and resolve local issues in a spirit of cooperation and good will.

The Resource Advisory Councils have all developed standards and guidelines to focus BLM's efforts in achieving healthy rangelands. The Bureau is now moving to implement these standards, which, over time, should improve the condition of America's rangelands.

It's heartening to see ranchers, suburban environmentalists, and others working alongside each other as partners to improve the health of our Nation's rangelands and maintain the vast open spaces and vistas that define the American West. This maintenance of rangeland health and open spaces also benefits urban recreationists and local rural economies. Everyone gains when people work together.

Our multiple-use mandate puts us in an ideal position to facilitate the work of Resource Advisory Councils and similar efforts. Starting with sometimes diverse viewpoints and perspectives, we can work with others to help shape agreement on principles and on-the-ground actions. Throughout this report, you will read about some of the hundreds of partnerships we rely on to carry out our stewardship responsibilities for 264 million acres of public lands. We thank all of you who worked alongside us this past year and pledge to continue expanding our efforts to work with and for the American public.

Another major accomplishment in 1997 was the completion of our Strategic Plan, which will help us focus our efforts over the next 3 to 5 years. This plan—along with our new performance plan, performance indicators, internal evaluation process, and customer survey efforts—will help ensure that we are accountable for real-world results. We fully intend to "walk our talk" as public servants and public land stewards.

Again, our thanks to all of the customers, partners, volunteers, and others who have helped us in our efforts to sustain the health, diversity, and productivity of our public lands. We look forward to continuing to earn your trust and respect and to serving your needs while overseeing the priceless heritage that our public lands and resources represent.

Pat Shea

BLM automation experts and field users/advisors are rapidly moving toward implementation of a financial data system prototype based on a data warehousing concept. The end result will be readily available and easier-to-use business information for managers and employees at all levels of the Bureau, as well as a valuable new tool for meeting the substantially increased regulatory requirements placed on the agency.

Message from the CHIEF FINANCIAL OFFICER

The Bureau of Land Management (BLM) issued its first audited financial statements at the end of fiscal year 1991 and received unqualified ("clean") audit opinions for fiscal years 1995 and 1996. We are very proud of our progress in achieving these milestones, and I am pleased to report that we again have received an unqualified audit opinion on our financial statements for FY 1997. These opinions reflect the importance and priority we place on our stewardship responsibilities and our commitment to sound financial management.

Leading the list of this year's accomplishments, the BLM has finalized its first Bureauwide Strategic Plan as required by the Government Performance and Results Act. This plan was developed and refined by numerous headquarters and field office employees and will guide BLM's efforts over the next 3 to 5 years. In addition, the Bureau is completing its first annual performance plan with its associated performance measures.

As part of our strategic goal to improve our business systems, we are continuing development of an overarching Management Information System to provide decision makers and resource managers throughout the Bureau with relevant, current business and financial information in an easy-to-understand format. BLM automation experts and field users/advisors are rapidly moving toward implementation of a financial data system prototype based on a data warehousing concept. The end result will be readily available and easier-to-use business information for managers and employees at all levels of the Bureau, as well as a valuable new tool for meeting the substantially increased regulatory requirements placed on the agency.

The Bureau is also redesigning its process for acquiring goods and services. In a typical year, the Bureau completes 120,000 separate transactions and spends roughly $180 million to obtain the supplies, equipment, and services vital to achieving the agency's mission and conducting business. Despite this heavy workload, the number of BLM employees who specialize in procurement work has plummeted from 214 to just 156 Bureauwide.

With everyone already having more than enough work to do, working harder was not an option, so BLM's procurement community decided to work smarter instead. The result is a redesign of the Bureau's acquisition process, with innovative ways of thinking and doing business being the rule, not the exception. Highlights of the redesigned acquisition program include:

- Indefinite Delivery/Indefinite Quantity Contracts, which allow just one contract to meet foreseeable needs for a year or more. Orders can be placed in just one day instead of repeating a lengthy process that can take weeks or even months.

- The VISA Card program, which allows BLM employees to purchase goods and ser-

vices valued under $2,500 without the cumbersome requisition process or the need to use imprest funds.

- First Bank convenience checks, which the BLM is pilot testing. Under this initiative, check writers can use VISA convenience checks for vendors who don't accept credit cards, instead of having to resort to costly purchase orders.

Taken together, these and other initiatives will make life much easier for both BLM employees and our many vendors, as well as improving the quality of the goods and services we receive. We project internal cost avoidance of about $1 million, as well as savings of an estimated $12 million on the cost of goods and services by the year 2000. And these savings represent dollars that can be redirected to our basic mission responsibilities.

As one of 32 designated Reinvention Impact Centers in the Federal government, the BLM has committed to two challenging goals that will improve service to the American public and require close cooperation with both the Forest Service and National Park Service:

- Development of an integrated, nationwide outdoor recreation information system that will give all Americans quick and easy electronic access to information about recreation on Federal lands, recreation use permits, and reservations.

- Improvement of service to public land users by providing one-stop shopping for information, permits, and other frequently requested over-the-counter products and services at Forest Service and BLM facilities.

The second goal is also known as the Trading Post initiative. BLM and Forest Service offices at several Colorado and Oregon locations have already combined their resources and functions under one roof to better serve the public.

Finally, we in the Bureau are refining our customer research methodology and applications to strengthen our ability to work with our partners and serve our customers. We are also piloting a new approach to conducting internal evaluations based on preventing problems rather than detecting them after the fact. This redesigned evaluation process, known as the Accountability and Validation System, will build efficiency, effectiveness, and accountability into all of the Bureau's work processes.

The Bureau of LAND MANAGEMENT

The Bureau of Land Management (BLM) is responsible for managing 264 million acres of land—about one-eighth of the land in the United States—and about 300 million additional acres of subsurface mineral resources. The Bureau is also responsible for wildfire management and suppression on 388 million acres.

Most of these lands are located in the western United States, including Alaska, and are dominated by extensive grasslands, forests, high mountains, arctic tundra, and deserts. The BLM manages a wide variety of resources and uses, including energy and minerals; timber; forage; wild horse and burro populations; fish and wildlife habitat; wilderness areas; archaeological, paleontological, and historical sites; and other natural heritage values.

In managing the public lands, we perform a wide variety of tasks:

- taking inventory of resources
- preparing land-use plans and assessing environmental impacts
- conducting land surveys
- issuing leases and other use authorizations
- enforcing permit conditions
- designing and constructing roads and other improvements
- restoring and maintaining fish and wildlife habitat
- suppressing and managing wildfires
- identifying and protecting significant natural, cultural, and recreational resources
- monitoring resource conditions
- maintaining the original property and cadastral survey records of the United States

These important tasks could not be successfully completed without assistance from the partners we work with on a day-to-day basis and the customers we serve. Working together with others is essential to our efforts to restore and maintain the health of America's public lands.

A Brief History

The BLM's roots go back to the Land Ordinance of 1785 and the Northwest Ordinance of 1787. These laws provided for the survey and settlement of the lands that the original 13 colonies ceded to the Federal government after the War of Independence. As additional lands were acquired by the United States from Spain, France, and other countries, Congress directed that they be explored, surveyed, and made available for settlement. In 1812, Congress established the General Land Office in the Department of the Treasury to oversee the disposition of these Federal lands. As the 19th century progressed and the Nation's land base expanded further west, Congress encouraged the settlement of the land by enact-

Above: Mountain biking near Moab, Utah. *(photo by Kelly Rigby, BLM's Utah State Office)*

ing a wide variety of laws, including the Homesteading Laws and the Mining Law of 1872.

These statutes served one of the major policy goals of the young country— settlement of the Western territories. With the exception of the Mining Law of 1872 and the Desert Land Act of 1877 (which was amended), all have since been repealed or superseded by other statutes.

The late 19th century marked a shift in Federal land management priorities with the creation of the first national parks, forests, and wildlife refuges. By withdrawing these lands from settlement, Congress signaled a shift in the policy goals served by the public lands. Instead of using them to promote settlement, Congress recognized that they should be held in public ownership because of their other resource values.

In the early 20th century, Congress took additional steps toward recognizing the value of the assets on public lands and directed the Executive Branch to manage activities on the remaining public lands. The Mineral Leasing Act of 1920 allowed leasing, exploration, and production of selected commodities such as coal, oil, gas, and sodium to take place on public lands. The Taylor Grazing Act of 1934 established the U.S. Grazing Service to manage the public rangelands. And the Oregon and California (O&C) Act of August 28, 1937, required sustained yield management of the timberlands in western Oregon.

In 1946, the Grazing Service was merged with the General Land Office to form the Bureau of Land Management within the Department of the Interior. When the BLM was initially created, there were over 2,000 unrelated and often conflicting laws for managing the public lands. The BLM had no unified legislative mandate until Congress enacted the Federal Land Policy and Management Act of 1976 (FLPMA).

In FLPMA, Congress recognized the value of the remaining public lands by declaring that these lands would remain in public ownership. Congress also gave us the term "multiple use" management, defined as "management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people."

The BLM Today

Increasingly, the BLM has had to address the needs of a growing and changing West. Ten of the 12 western States with significant proportions of BLM-managed lands have among the fastest rates of population growth in the United States.

The American public values balanced use, conservation, environmental management, recreation, and tourism. Public lands are increasingly viewed from the perspective of the recreational opportunities they offer, their cultural resources, and—in an increasingly urban world—their vast open spaces. However, against this backdrop, the more traditional land uses of grazing, timber production, and mining are still in high demand.

The BLM's task is to recognize the demands of public land users while addressing the needs of traditional user groups and working within smaller budgets. Fortunately, the public, constituent groups, and other agencies and levels of government have proven eager to participate in collaborative decisionmaking. These diverse partners have joined with us in developing many partnerships that benefit the public lands and everyone who relies on them.

Perhaps one of the Bureau's greatest challenges today is to develop more effective land management practices, while becoming more efficient at the same time. We are proud of the significant steps we and our partners have already taken to reduce administrative costs, streamline work processes, focus on customer service, and improve accountability to the American people.

As the BLM approaches the end of the 20th century, we look forward to continuing our service to the public while strengthening our partnerships with all who use or care about the public lands. Working together, all of us can succeed in restoring and maintaining the health, diversity, and productivity of America's public lands for the use and enjoyment of present and future generations.

Accountability for PERFORMANCE AND RESULTS

The Bureau of Land Management is working to chart a new course for the next century. The Chief Financial Officers Act of 1990, the Government Performance and Results Act (GPRA) of 1993, the National Performance Review, and other initiatives all require Federal agencies to be accountable for performance and results.

For the first time, the Government Performance and Results Act requires all agencies to have strategic plans, performance measures, and a way to evaluate progress toward their goals. Importantly, the law requires agencies to move away from reporting outputs (e.g., miles of fence constructed) to focusing more on results and outcomes (e.g., improvements in land health because of better livestock grazing management).

Agencies must report to Congress and the American people each year on their progress in meeting their goals. Customer and stakeholder involvement is also a new requirement of GPRA.

The Bureau has issued its first Strategic Plan under GPRA and is making strides on the measurement and evaluation components of the Act. The BLM Strategic Plan outlines the mission-oriented goals and objectives for the agency over the next 3 to 5 years.

Our Strategic Plan is an overarching statement of priorities, future direction, and performance goals for the Bureau. And this plan is not "just another paperwork exercise"; it already permeates day-to-day activities. Resource allocations (i.e., which programs and offices get funding) and daily operational decisions are already starting to be linked to the Strategic Plan through a required Annual Performance Plan that will be transmitted to Congress.

In addition to strategic planning, the BLM is developing a new approach to conducting evaluations. Based on preventing problems rather than detecting them after the fact, the new system uses two interlocking components: local self-assessment and national validation. An Implementation Team consisting of both field and Washington Office members has embarked on the Phase 2 goal of building efficiency, effectiveness, and accountability into all of the Bureau's processes.

Customer research is being conducted to help us find out what is really important to our customers and partners—to recreation users, livestock operators, local government officials, and others—and to identify any barriers our own employees might face in serving customers in the field. This research will help us understand where we are now and what we need to do to improve customer service and measure the results.

Good customer survey data at both the national and local levels is critical to strategic planning, performance measurement, and the evaluation of results called for by GPRA. Progress was made in fiscal year 1997 to establish baseline data on customer satisfaction and to ensure the consistent gathering and use of customer research information.

Above: Rock climbing is just one of the many rapidly growing recreational activities on BLM public lands. *(BLM file photo)*

THIS YEAR'S ANNUAL REPORT

This Annual Report is the third such report the BLM has produced—the first was published for fiscal year (FY) 1995. The Fiscal Year 1997 Annual Report continues our efforts to provide more meaningful information, a more understandable format, and greater accountability for achieving intended results. It addresses our goals and vision even more directly than previous years' reports.

The outline and content of this year's Annual Report once again closely follow the format of BLM's Strategic Plan The following "Annual Report map" can be used as a quick reference for the page location of each strategic goal.

Mission
Sustain the health, diversity, and productivity of the public lands for the use and enjoyment of present and future generations.

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BLUEPRINT GOALS	**Serve current and future publics**	**Restore and maintain the health of the land**	**Promote collaborative management**	**Improve business practices**	**Improve human resources management**
STRATEGIC GOALS	Provide opportunities for environmentally responsible recreation Provide opportunities for environmentally responsible commercial activities Preserve natural and cultural heritage Reduce threats to public health, safety, and property Improve land, resource, and title information Provide economic and technical assistance	Establish and implement management standards and guidelines Identify resources at risk Restore public lands to healthy condition	Improve understanding of environmental, social, and economic conditions and trends Promote community-based planning Expand partnerships to implement on-the-ground activities	Improve business systems Improve program accountability and performance Deliver quality services to customers	Maintain a trained and motivated workforce Institutionalize diversity and improve workforce composition

Blueprint Goal

SERVE CURRENT AND FUTURE PUBLICS

As one of the Nation's principal natural resource management agencies, the BLM:

- provides the public with a wide variety of outdoor recreational opportunities,
- authorizes the use of the public lands for resource commodity production and other commercial activities,
- protects and preserves nationally significant natural and cultural heritage resources,
- enforces Federal laws and regulations related to public lands, and
- provides many other goods and services.

The BLM also shares its technical expertise and capabilities with other Federal agencies as well as State, Tribal, and local governments. The Bureau maintains the Nation's public land survey system, the legal foundation for most of the land records in the United States; assists many Tribal governments in managing their energy and mineral resources; and shares its fire management capabilities with neighboring jurisdictions.

The revenues generated from BLM-managed activities are economically important to the Nation and to the economies of many local communities, primarily in the West. For instance, a significant portion of the more than $1 billion in revenues generated annually by the public lands is shared with the States. The BLM also disburses over $100 million annually to more than 1,900 counties as Payments in Lieu of Taxes to offset property tax shortfalls (under a Congressional formula) occurring in counties with public land holdings.

The Bureau's initial focus was on the production of livestock forage, timber, and energy and mineral commodities for the American people. Over the last 20 years, the BLM has increasingly turned its attention to managing for outdoor recreation and scenic values, natural and cultural heritage preservation, and new commercial uses such as communication facilities, waste disposal, and cinematography.

As the population of the Nation grows, demands on the public lands will continue to evolve. As it has in the past, the BLM will become familiar with the needs and expectations of new public land users while encouraging them to understand the needs and expectations of more traditional public land users.

The goods and services the BLM currently provides the American people are discussed in terms of accomplishments under six broad strategic goals: (*1) Provide opportunities for environmentally responsible recreation; (2) Provide opportunities for environmentally responsible commercial activities; (3) Preserve natural and cultural heritage; (4) Reduce threats to public health, safety, and property; (5) Improve land, resource, and title information; and (6) Provide economic and technical assistance.*

Above: A fisherman helps his daughter reel in a big one at Arizona's Lake Pleasant. *(Photo © John Beckett, Beckett & Beckett Photography)*

Provide Opportunities for Environmentally Responsible Recreation

Studies indicate that 94.5% of the U.S. population participates in some form of outdoor recreation. These studies also reveal that the demand for recreation will continue to expand as the U.S. population increases. Visitation to BLM public lands in fiscal year 1997 was 61 million visits, resulting in nearly 72 million visitor days of recreation use.

The BLM public lands provide visitors with a vast array of recreational opportunities. These include hunting, fishing, camping, hiking, boating, hang gliding, off-highway vehicle driving, mountain biking, birding, and visiting natural and cultural heritage sites.

The BLM administers 205,498 miles of fishable streams, 2.2 million acres of lakes and reservoirs, 6,600 miles of floatable rivers, over 500 boating access points, 69 National Back Country Byways, and 300 Watchable Wildlife sites. The BLM also manages 4,500 miles of National Scenic, Historic, and Recreational Trails, as well as thousands of miles of multiple use trails used by motorcyclists, hikers, equestrians, and mountain bikers.

The public lands provide habitat for more than 3,000 species of mammals, birds, reptiles, amphibians, and fish. Big game animals, including elk, pronghorn, mountain sheep, caribou, deer, and moose, thrive on western public lands, as do waterfowl and many species of small game animals.

The BLM faces a number of challenges and opportunities as it seeks to manage recreation opportunities on public lands:

- While increased recreation use is a source of employment and economic growth, it also places new demands on local governments for services and other visitor amenities. The BLM must work with local communities, assisting them in understanding, anticipating, and planning for the economic and social impacts of travel and tourism on BLM-managed public lands and waters.

- To respond to the increase in the number of people with disabilities and the number of people over the age of 55 who use the public lands for outdoor recreation, the Bureau must incorporate the concept of universal access into all of its recreation programs, services, and facilities.

- The BLM must understand the expectations and needs of mountain bikers, cavers, and other new users so that it can better manage all recreation opportunities.

- Funding has not kept pace with the rising costs of managing recreation sites, facilities, and the expansion of services that the public expects. This means that some routine and corrective maintenance requirements are not being met, BLM recreation employees cannot always be present in the field, and visitor services are lacking.

- Environmental health in some areas is declining because of overuse, jeopardizing the very resources that attract visitors. Sustainable, quality outdoor recreation

Hiking through Bull Canyon Wilderness Study Area in Northwestern Colorado. *(courtesy BLM's Colorado State Office)*

opportunities depend on healthy land and water resources.

- Recreation facilities require long-term maintenance and are an added expense. They also represent a break with BLM's traditional recreation niche, which is providing a primitive and dispersed recreation experience consistent with the wide-open landscapes the BLM manages.

- The BLM must complement, not compete with, other Federal, State, Tribal, regional, local-government, and private entities that also provide recreation, travel, and tourism opportunities.

During fiscal year 1997, work was begun to achieve results under the four performance goals contained in BLM's Strategic Plan. In addition, much was accomplished outside the four performance goal areas. A general discussion of accomplishments under each of these five subject areas (the four performance goals, plus other accomplishments) is followed by examples of actual work accomplished during the year.

Accomplishments for Fiscal Year 1997

Performance Goal: Understand and assess the role that recreation, travel, and tourism play in supporting economic growth and social well-being.

By 2000, develop a methodology to understand and quantify the economic impacts of outdoor recreation on local communities. Use the resulting information to direct future outdoor recreation management, opportunities, facilities, and activities on public lands and to assure that BLM's actions consider local communities' economic, social, and development goals.

The BLM is currently working with the U.S. Forest Service Southern Research Station in Georgia and Old Dominion University (ODU) in Virginia to accurately identify the economic impact of recreation on communities adjacent to public lands. Preliminary studies indicate significant positive impacts for local communities and businesses. For example, almost $21 million was spent locally by recreationists visiting Yaquina Head, Oregon, in 1995. Recreation visitation at the Steens Mountain Area, Oregon, resulted in over $1.5 million in economic growth. And spending by Goldbelt visitors in central Colorado supported 378 local jobs. To continue this vital research, the BLM, along with the Forest Service, ODU, and American Sportfishing Association, has initiated a cooperative study of the economic impacts of both consumptive and nonconsumptive recreation on public and neighboring lands.

Colorado BLM continued to work with the University of Colorado Business School on its annual "Business and Economic Outlook

Visitors prudently dressed in slickers enjoy the dramatic skies and pounding surf at Yaquina Head. *(courtesy BLM's Oregon State Office)*

Forum." The BLM provided information from the Forest Service's National Study on Recreation and the Environment and the results of the annual Roper Starch Survey on "Outdoor Recreation in America."

In addition, the BLM:

- Continued its collaboration with the community-based Los Caminos Antiguos Scenic and Historic Byway partnership and Northern Arizona University to begin focus group assessments of both visitors and community residents to determine the specific kinds of value they would like to see the Byway add to their lives.

- Conducted a detailed visitor preference survey for the popular Alpine Loop National Back Country Byway in southwestern Colorado, working with community partners, the San Juan Mountain Association, and Arizona State University to survey 1,500 residents and visitors.

- Participated with the Front Range Resource Advisory Council on the development of Guidelines for Recreation within the Front Range area of Colorado.

Performance Goal: Manage outdoor recreation activities to achieve and maintain public land health standards.

By 2001, encourage outdoor recreational users to be better stewards, advocates, and volunteers for protecting and preserving the BLM public lands and waters by using multimedia environmental education and interpretative information. By 2002, reduce the environmental degradation at public land recreation sites and facilities.

The BLM provides users with information to minimize their impacts to public lands and waters. In some cases, the BLM also monitors the type and location of physical access to public recreation areas. The BLM pursues challenge cost-share partnership agreements and grants to strengthen its relationship with users and local

Under clear Minnesota skies, canoeists island-hop in Lake Vermilion's cerulean waters (photo by Sylvia Jordan, BLM's Milwaukee District Office)

communities. Through these partnerships, work accomplished at specific recreation sites reduces risks to public health and safety, decreases environmental degradation, improves resource quality, and delivers land stewardship messages to the public.

The BLM is working to enhance the public's understanding of resource conservation and protection through interpretation, environmental education, permit stipulations, and environmental stewardship efforts. Visitors are asked to use and enjoy the public lands while minimizing environmental impacts by practicing the Leave No Trace and Tread Lightly principles. Well-informed, environmentally sensitive recreation users can play a key role in protecting cultural, natural, and scenic resources and sustaining the health of the Nation's public lands and waters.

Specific accomplishments included four Public Lands Appreciation Day events in Nevada, environmental education programs involving over 2,000 school children at Pompeys Pillar in Montana, a Public Lands Cleanup Day at the Altman property in Montana, an Island Stewardship Program for a group of small islands located in Lake Vermilion in Minnesota, sponsorship of Idaho's first Salmon and Steelhead Days in September, completion of the Canyon Pintado National Historic District Interpretative Plan in Colorado, participation in the Gunnison (Colorado) Youth Summit field education event, and a partnership in the Teaching Environmental Science Naturally Program in Canon City, Colorado.

Interpretation activities and facilities included a 3-day interpretative training satellite broad-

cast by BLM's National Training Center; a new visitor center at Yaquina Head, Oregon; an innovative Audio Tour for Phantom Canyon Byway (Canon City, Colorado); an interpretive trail at Martins Cove, a historic site along the Mormon Trail in Wyoming; and a mile-long interpretative boardwalk and trail though a Cascade Mountain wetland complex near Salem, Oregon, that includes over $150,000 of treated lumber donated by private companies. In Montana, a private guest ranch teamed up with The Nature Conservancy to provide over 200 volunteer hours of labor to construct a three-panel interpretative kiosk at BLM's Ear Mountain Trailhead.

The Bureau assisted Tread Lightly!, Inc. in developing a new "Restoration for Recreation" Program designed to rehabilitate land, transforming damaged areas into enjoyable recreation havens. The program also educates the public about practicing outdoor stewardship ethics in order to minimize future impacts. Funds for the program and future projects will be generated through private official sponsors of Tread Lightly!, Inc..

A motorcyclist negotiates a Johnson Valley off-highway vehicle trail across the arid, rocky terrain typical of many southern California deserts. *(photo by Doran Sanchez, BLM's California Desert District)*

The BLM also worked with the National Off-Highway Vehicle Conservation Council in developing a manual for implementing Off Highway Vehicle (OHV) Youth Programs to promote safe, environmentally responsible OHV use on public and private lands.

The Bureau helped launch several initiatives under the Leave No Trace Program, focusing on America's youth. The BLM created the Leave No Trace Boy Scout Training Award and the Risk Management Program to help Scouts and their leaders have a safer experience in the outdoors. Leave No Trace training was given to over 23,000 youth at the National Boy Scout Jamboree, Philmont Scout Ranch, and Girl Scout Regional Workshops. Other areas of focus included developing a supplemental outdoor ethics curriculum for national hunter education instructors and educating outdoor writers across the Nation.

In conjunction with the 1997 National Public Lands Appreciation Day (PLAD) event at the Ward Mountain Recreation Area, the BLM and Forest Service employees taught Leave No Trace principles to 10 teachers of Nevada's White Pine County Schools. And Arizona BLM participated in the first Western Regional Girls Scout Leaders Workshop—"Linking Girls to the Land."

For the last five years, the Arizona Strip Field Office has been participating in the Color Country Natural Resources Camp. This week-long camp involves local high school students in on-the-ground resource management activities and encourages them to interact with resource specialists from the BLM, the Forest Service, the National Park Service, and State resource agencies. The purpose of the environmental education camp is to teach young people about the outdoors and encourage them to seek a career in natural resources management.

Arizona's Tucson Field Office completed a successful year of the WOW (Wonderful Outdoor World) environmental program for Tucson Youth. And Colorado BLM supported a

partnership with the Yampatika Outdoor Awareness Association to provide environmental education services in Northwest Colorado.

Performance Goal: Provide outdoor recreation opportunities that are within the BLM's local and regional recreation niche, considering the availability of other providers. By 1999, ensure that each BLM field office has identified and documented its recreation niche and is working with local communities to provide appropriate recreation opportunities on public lands and waters.

The BLM public lands and waters are noted for their undeveloped, wild nature of recreation opportunities. The BLM manages each local area according to its own unique attributes. Through partnerships and collaborative efforts, the BLM is striving to provide a diversity of opportunities and to ensure their availability to all segments of the public. Each local BLM office is identifying its recreation niche in cooperation with other community recreation, travel, and tourism providers to serve a broad spectrum of customers by providing complementary—not competing—services, facilities, and opportunities.

As one example of this, Montana BLM participated in the State of Montana's 5-year strategic plan, which will guide the future of recreation and tourism in the State. And Montana's Lewistown District had ten recreation sites included in the Russell Country Tourism Region 1997 Travel Planner, an annual publication covering 13 counties in north-central Montana.

During the summer of 1997, 10 high school AmeriCorps Program apprentices under the supervision of two Grand County AmeriCorps Program members constructed 67 campsites in seven camping areas in the Colorado Riverway Recreation Area near Moab, Utah. The project was completed under the terms of a cooperative agreement between the BLM Moab Field Office and Grand County.

Through the BLM's on-going partnership with the Oregon-California Trails Association and Trails West, Inc., 31 new permanent metal trail markers were placed along the Hastings Cutoff of the California National Historic Trail. And in the BLM Salem District in Oregon, volunteers, AmeriCorps groups, Federal prison work crews, and jobs-in-training crews constructed an additional 15 miles of single track trails for mountain bikes and equestrians on the Molalla Shared-Use Trail System. In Minnesota, BLM-managed islands are a small piece of a large puzzle—the Lake Vermilion ecosystem, providing a myriad of recreational opportunities. Through volunteer island stewards and a jointly funded summer seasonal position with a local State Park, the BLM was able to promote day use of public island resources. Even the smallest islands provide excellent fishing opportunities, while other islands offer perfect sites for picnicking, berry picking, or just relaxing and taking in the sights and sounds of the North Woods.

The Paiute All Terrain Vehicle (ATV) Trail continues to be an example of cooperation among the BLM, Fishlake National Forest, Utah Division of Parks and Recreation, local law enforcement entities, local merchants, and many interested individuals from surrounding communities. During Public Lands Appreciation Day on September 27, 1997, the Richfield BLM Field Office hosted and directed a group of 20 volunteers, including personnel from the BLM and Forest Service, trail hosts, high school students, and local citizens, all of whom worked hard to help open the trail to Rock Canyon for ATV use.

The BLM dedicated the Black Magic Canyon Interpretive Wayside along the Sawtooth

Volunteers construct a trail to Pohick Bay in northern Virginia during Public Lands Appreciation Day. (courtesy BLM's Eastern States Office)

Scenic Byway on September 17, 1997. This wayside showcases the sculptured rock and unique geologic features of the Big Wood River. The project was cooperatively funded by the BLM and the Idaho Transportation Department through the Scenic Byways Program.

In northwest Colorado, the Bureau constructed the Juniper Mountain segment of Yampa Valley Trail in partnership with the Routt County Riders Bicycle Club and the Rocky Mountain Youth Corps. This project was partially funded by a Great Outdoors Colorado Grant. BLM fire crews also assisted with construction of this segment and maintenance on other existing Yampa Valley Trail segments in the Little Snake Resource Area.

Performance Goal: Provide easy access to outdoor recreation information for the public lands. *By 2001, cooperate with other Federal agencies to develop an electronic access system for recreation use permits, reservations, and other information.*

In fiscal year 1997, the BLM, Bureau of Reclamation, Fish and Wildlife Service, National Park Service, Army Corps of Engineers, and Forest Service began using Internet technology to increase public access to recreation information. The intent is to create an electronic information center on the Internet where the public can more easily obtain the information they need to plan their recreation visits to the public lands. Future versions of the system will include the ability to make campground and other recreation site reservations for areas participating in the reservation system. There are also plans to eventually include sites managed by State and local governments, as well as Indian tribes. The Park Service has been selected as the lead agency to develop the prototype system.

In addition, BLM field offices have participated in one-stop multiagency information centers, highlighted recreation information and maps on Web home pages, and played a key role in publicizing recreation through various travel publications, brochures, and recreation/tourism initiatives .

Other Accomplishments

The BLM continues to embrace methods and technology to ensure that its programs and facilities are available to the widest range of customers, including those with disabilities. During 1997, the BLM, Forest Service, University of Minnesota, Wilderness Inquiry, Inc., and U.S. Army Corps of Engineers sponsored the course "Universal Design: The Outdoor Recreation Environment," which focused on design that is inclusive of all users. Plans are to continue this cosponsorship in 1998 and beyond.

The BLM coordinated the development of an interagency memorandum of understanding between six Federal agencies and Wilderness Inquiry, Inc., a non-profit organization that promotes the use of outdoor recreation areas by people with disabilities. This agreement will allow cooperation on accessibility issues of common interest and on joint planning of programs, projects, and activities.

The Bureau also co-sponsored, along with Wilderness Inquiry, Inc., a national workshop entitled "Universal Access," addressing access to river-based recreation activities for people with disabilities. The workshop focused on working with outfitters to ensure inclusion of all customers in their programs.

The Bureau played a major role in the planning and implementation of the first annual National C.A.S.T. (Catch A Special Thrill) Fishing Event, sponsored by the Department of the Interior, Departmental bureaus, and the

Participants in the Kids' Fishing Day in Virginia *(courtesy BLM's Eastern States Office)*

C.A.S.T. for Kids Foundation. The event, held in the Washington, DC, area, provided kids with disabilities and their families an opportunity to enjoy fishing and to gain an understanding of fish as a natural resource. It also fostered partnerships and increased awareness of the capabilities of children with disabilities.

In FY 1997 the BLM received new authority to collect fees under the Congressionally authorized Recreation Fee Demonstration Project. Using this authority, the Bureau has begun to test a variety of new methods for collecting fees, for working with partners to collect fees, and for collecting fees for different uses and activities. The focus has been on those sites and areas that have not collected fees under previously existing Land and Water Conservation Fund Act authorities. The BLM has implemented this program in close coordination with the other Federal agencies receiving similar authority.

While the existing law permits the BLM to operate fee demonstration pilot projects with up to 100 sites, the Bureau has taken a more modest approach. At the close of the fiscal year, the BLM was operating nine separate pilot projects in five States. Among the resulting innovations have been an agreement with Northern Arizona University to issue permits and collect fees for use of a wilderness area, the use of third-party contractors to collect fees at several sites, charging of entrance fees to recreation areas and visitor centers, acceptance of the Golden Eagle Passport (with a resultant 763% increase in passport sales), and the use of fees as a management tool to adjust use patterns on Oregon's Deschutes River.

As the revenues from the pilot projects accumulate, they will be used to make much-needed improvements to the infrastructure, maintenance, and management of the areas generating the revenues. The goal is to improve the quality of recreation opportunities available to the public.

One of the objectives of the 1995 White House Conference on Travel and Tourism was to preserve our natural, historic, and cultural resources for future generations, as well as expanding urban and rural economic development opportunities through a national strategy for fostering environmental and cultural travel and tourism. The BLM has responded by participating in regional and national cultural tourism summits, helping to identify conservation and management strategies that encourage the responsible use of travel and tourism opportunities on public lands in an environmentally sensitive manner.

In September 1997, the Bureau joined with other Federal agencies to sign a memorandum of understanding with the Western States Tourism Policy Council on implementing the National Tourism Strategy adopted by the White House Conference on Travel and Tourism, as well as the recommendations from the Western Summit on Tourism and the Public Lands. Federal agencies participating in the agreement are the Bureau of Indian Affairs, Bureau of Reclamation, Fish and Wildlife Service, National Park Service, Forest Service, Environmental Protection Agency, Federal Highway Administration, and the Army Corps of Engineers. The Western States Tourism Policy Council consists of Western States government tourism offices from Alaska, Arizona, California, Hawaii, New Mexico, Nevada, Oregon, Utah, and Washington.

Provide Opportunities for Environmentally Responsible Commercial Activities

The public lands provide myriad opportunities for commercial activities. Commercially valuable natural resources include energy and mineral commodities, forest products, grazing forage, and special uses such as rights-of-way for pipelines and transmission lines. The BLM recognizes the Nation's need for a domestic source of minerals, food, timber, and fiber from the public lands.

Energy and minerals generate the highest commercial production values. The public lands produce 33% of the Nation's coal, 8% of its natural gas, and 5% of its oil. These lands also produce a large portion of the Nation's fertilizer minerals, mineral materials, gold, silver, and other metals. In addition to overseeing activities on the Nation's public lands, the BLM provides technical supervision of mineral development on Indian lands.

Timber production and livestock grazing are also important uses of the public lands. Livestock grazing on the public lands makes an important contribution to the livelihood and culture of many local communities.

Other commercial uses include rights-of-way and other permits and leases. Every year thousands of companies apply to the BLM to obtain right-of-way grants to use public lands for roads, pipelines, transmission lines, and communication sites. Many of these provide for the basic infrastructure of society, meeting the needs of local cities and towns.

The nature and scope of commercial activities have changed over time and will continue to evolve as new technologies are developed and as the population increases in the United States, particularly in the West. To accommodate future competing demands on limited resources, the BLM will need to direct even greater effort to maintaining the health of the land. Measures to protect the environment must be strengthened at the planning and leasing/permitting stages, and compliance must be ensured through inspection and enforcement. Public lands can meet multiple-use needs only if the land is kept healthy and productive.

Other challenges and opportunities that need to be addressed include the following:

- About 2.5 million acres of public land are expected to return to BLM administration as a result of a review of Bureau of Reclamation land withdrawals. Additional land acreages could be obtained by reviewing the continued need for lands withdrawn by agencies other than Reclamation. Making these lands available for multiple-use management represents a significant opportunity to increase commercial activities as well as recreational and other public land uses.

- The BLM is committed to improving the quality of service to our customers and stakeholders. In a 1995 nationwide customer survey of commercial users, oil and gas scored lower than other areas. The BLM will need to improve customer service in most of the use authorization categories by streamlining use authorization/permitting processes, as well as utilizing a performance-based regulatory approach and using electronic commerce for business transactions.

- Significant environmental and safety problems have been created by abandoned mines and orphan wells in the past. The BLM

Timber harvest on BLM-managed lands contributes significantly to local economies in the Pacific Northwest. *(courtesy BLM's Oregon State Office)*

must ensure it has financial assurance, including adequate bonds, for current and future activities to help alleviate problems caused by failed commercial uses.

- Additional funding will be needed to accomplish the agency's strategic goals; the BLM will emphasize cost recovery and other means to increase available funding.

Accomplishments for Fiscal Year 1997

Performance Goal: Contribute to the Nation's economy by providing opportunities for the production and transport of commercial goods and services. Annually report to the public the economic value of commercial activities on BLM lands. By 2002, complete BLM recommendations on Bureau of Reclamation withdrawal reviews, which encompass about 7.25 million acres, and where appropriate, open to multiple use.

As the following table shows, the estimated fiscal year (FY) 1997 market value of production occurring on the public lands was around $12.4 billion. The direct and indirect economic impact of this production was also significant, amounting to over $27.5 billion in output. States share in a large portion of the $1.4 billion of the revenues collected.

Energy and mineral resources generate the highest commercial economic production values for uses of the public lands. Of the total $1.4 billion in annual revenues from BLM-managed lands, energy and minerals generated over $1.3 billion from mineral royalties, rents, bonuses, sales, and fees, most of which was collected by the Minerals Management Service. Energy and minerals also generated 98% of the total $12.4 billion of production value from the public lands. The total direct and indirect economic output impact of the mineral production value amounted to $26.6 billion out of the $27.5 billion total in commercial activities.

Currently, BLM administers about 46,000 oil and gas leases, of which 19,650 are producing or producible leases. During the fiscal year, the Bureau processed 2,795 oil and gas applications for permit to drill. As of the end of FY 1997, the BLM administered 370 coal leases, of which 123 leases were producing. The significant increase in revenue and production value in FY 1997 was primarily due to higher oil and gas prices. However, the decrease in revenue in the other leasable and salable category was due to one carbon dioxide payer who claimed a refund for the prior year.

The number of active mining claims, down in past years, has stabilized at about 300,000. Because mining claims may be patented out of

Public Land Commercial Activity	**Value FY 1997** (millions $)	**Output Impact FY 1997** (millions $)	**Revenue Collected FY 1997** (millions $)
Oil and Gas Leasable Minerals	6,517	11,991	834
Coal Leasable Minerals	3,044	7,914	346
Other Leasable and Salable Minerals	1,392	3,619	76
Locatable Minerals	1,207	3,138	36
Grazing	89	384	14
Timber	129	439	83
Realty	18	43	9
Total	12,396	27,528	1,398

Note: Table does not include the economic value of commercial and non-commercial recreation activities on the public lands. Recreation is discussed in the previous section.

Federal ownership, production of minerals such as gold, silver, copper, limestone, gypsum, and other minerals subject to location under the General Mining Law of 1872 has decreased on the public lands in recent years. During FY 1997, seven patents were issued for BLM lands.

In FY 1997, the BLM managed production of over 15 million cubic yards of sand, gravel, and other mineral materials. This amount represents a significant increase over the previous year's production in both total exclusive sales and free-use permits.

BLM lands produced 231 million board feet of timber (sold) in fiscal year 1997, amounting to about 6% of Federal production. In addition, the BLM authorizes livestock grazing for more than 17,000 operators on about 164 million acres of public land in 16 Western States, providing nearly 9.8 million animal unit months of grazing. A significant portion of the cattle and sheep produced in the West graze on public rangelands. For example, 88% of the cattle produced in Idaho, 64% of the cattle in Wyoming, and 63% of the cattle in Arizona graze at least part of the year on public rangelands.

As of the end of FY 1997, the BLM administered 77,642 rights-of-way grants for electrical transmission lines, communication sites, oil and gas pipelines, and other facilities nationwide and was processing 6,148 right-of-way actions. Nevertheless, there remains a backlog of about 3,000 actions still awaiting processing to be completed. Note that the economic value of commercial realty activities such as permits and leases could be higher than the collected annual rents used in this presentation. These rents do not include the economic value of the many exempted rights-of-way.

To help complete the withdrawal review process for Bureau of Reclamation withdrawn lands, BLM's California State Office processed about 470,000 acres of land using FLPMA Section 204(a) authority; these lands were formerly slated for review under section 204(l). This is significant because it is the first time that this newly approved process has been used. The lands that were returned to BLM administration will be used for various resource programs.

Performance Goal: Manage commercial activities to achieve and maintain public land health standards. By 2000, incorporate comprehensive land health standards into new commercial use authorizations.

During FY 1997, rangeland health standards were established by all BLM State Offices. These standards apply to all uses in the rangeland landscape. However, for commercial activities to comply fully, the BLM will have to adopt comprehensive standards for the health of the land that can be applied to all landscapes, not just rangelands. Implementation of health-of-the-land standards by commercial users will then follow.

In a January 6, 1997, memorandum, the Secretary of the Interior directed the BLM to resume modernizing the surface management regulations for the Mining Law of 1872 to lessen the risk of environmental impacts due to mining. Areas specifically addressed by the Secretary include the definition of "unnecessary or undue degradation," performance standards for mining, operations that disturb 5 acres or less, and coordination with the States. Thus far, the BLM has conducted public scoping meetings in 12 locations across the country, totaling approximately

Surface Protection Specialists on a routine inspection of an oil well in western North Dakota. (photo by Del Harding)

1,000 attendees. A total of 1,832 written comments were analyzed and presented in the scoping report published in September 1997. This regulation revision effort continues.

Performance Goal: Improve customer service to commercial users. *By 2002, implement new oil and gas and rights-of-way use authorization procedures to increase customer satisfaction with BLM's authorization processes.*

To improve customer service to commercial users of the public lands, we will not only reduce and ultimately eliminate the approval delay in processing oil and gas applications for permit to drill (APDs) and right-of-way (R/W) permits. We will also use a pilot study to test a performance-based approach for issuing oil and gas permit, and will run a pilot application of electronic commerce for oil and gas permitting and reporting purposes.

In response to the 1995 customer survey to improve customer satisfaction levels with use authorizations, the BLM included eliminating delays in permit processing in the Bureau's performance plan as a multi-year program starting in FY 1998. During this past year, tracking systems have been established for oil and gas and rights-of-way so that progress in reducing decision delays can be gauged.

This wind energy field in the Ridge Crest Resource Area is just one example of BLM rights-of-way granted for such things as powerlines, pipelines, and other commercial uses. *(photo by Doran Sanchez, BLM's California Desert District Office)*

Currently, there are about 3,000 cases of R/W permit processing delays each year that will be eliminated by the year 2002. The Bureau has recently changed its financial system to permit R/W application processing fees to be returned directly to the field offices that generate the fees. Making greater use of cost recovery and returning those fees directly to the field offices that generate them will allow additional resources to be allocated to processing R/W applications.

As for oil and gas, a 1995 survey of APD processing indicated that about 42% of the APDs filed were not processed within the required 35-day time frame. However, a closer examination of the causes for the delay reveals one primary cause: operators have been submitting incomplete APDs. The 35-day time frame should not start until the APD is considered complete. Inconsistent determination of the starting date may have resulted in overestimating the number of processing delays.

The Bureau is focusing its efforts on education and training, helping operators to prepare and submit a complete APD the first time around. This effort will hopefully improve customer satisfaction and make life easier for everyone. The Bureau's goal is to eliminate APD processing delays by the year 2001.

As part of the regulatory streamlining effort, the BLM has selected the White River Resource Area of Colorado as a pilot site for testing a performance-based regulatory approach. Under this approach, only the end result or objective to be achieved will be specified and the public land users will then propose the method or means to achieve it, consistent with existing laws and regulations. This initiative involves the use of performance-based lease stipulations and conditions of approval.

The initial implementation of this pilot project was held up awaiting resolution of appeals to the Resource Management Plan. Now that the Plan has been completed, the White River Resource Area is seeking industry partners. A potential partner has expressed an interest in par-

ticipating in the pilot, and a search is currently underway for an appropriate project. This pilot effort will be evaluated by the end of the year 2000.

Initial efforts at electronic commerce started in conjunction with developing the oil and gas Automated Fluid Minerals Support System (AFMSS) a few years ago. This system will allow operators to apply for permits and file reports electronically, with the data automatically being entered in the appropriate data bases. The fundamental first step in establishing electronic commerce is defining data requirements and using an accepted standard for transmitting that data. As a well-defined standard does not exist for most of the data exchanged with BLM oil and gas operators, we have been working with industry, the Minerals Management Service, and State agencies to define a standard and get it approved as a national standard. Working with a BLM contractor and some technical support from the Minerals Management Service and industry, the BLM has developed a new ANSIX12 transaction set (#625) that will cover all of the Bureau's oil and gas data exchange requirements, as well as the corresponding requirements for the Minerals Management Service's offshore program and for State oil and gas commissions. We will be working with industry and States in the coming year to test electronic permitting and reporting.

Performance Goal: Reduce existing and future liabilities created by abandoned, inactive, or unauthorized commercial activities. *By 2000, revise regulations to require adequate financial assurances for current and future commercial activities.*

On February 28, 1997, the BLM published a final rule requiring hardrock (locatable minerals) mining operators on BLM lands to be bonded for the full amount of their projected reclamation costs. Under this rule, all parties engaging in hardrock mining or exploration on BLM-managed lands must maintain bonds or financial guarantees showing coverage of the full cost of restoring land that has been disturbed by mining activities. This rule will help protect the public from liabilities for restoration costs.

Under the Bureau's former policy, the agency required the bonding of only "plan-level" operators whose mining activities disturbed more than 5 acres of public land. The BLM did not require bonds for "notice-level" operators whose activities disturbed 5 acres or less. The new rule requires all mining and exploration operators, regardless of how much acreage will be affected, to maintain bonds or financial guarantees that cover the entire amount of projected reclamation costs.

In the oil and gas program area, the BLM is also addressing the issue of reducing existing and future liabilities created by abandoned and inactive oil and gas wells. As part of the current regulatory revision effort, the Bureau is considering an increase of minimum bond amounts for individual leases and Statewide bonds. In addition, a bond for inactive wells is being considered as a new requirement to reduce the risk of incurring restoration costs.

Current financial assurances for the coal program and timber sales are considered adequate to avoid potential liabilities. The financial assurances required for other commercial activities will be reviewed in the coming years to determine if they are adequate.

Continuous (borer) miner at a Wyoming trona mine on federally leased lands. *(courtesy BLM's Wyoming State Office)*

Preserve Natural and Cultural Heritage

The public lands contain exceptional geologic formations; rare and vulnerable plant and animal communities; wild free-roaming horse and burro herds; wilderness areas and Wild and Scenic Rivers; and innumerable paleontological, archaeological, and historical sites. These resources are scientifically, educationally, and recreationally important, representing a significant part of our Nation's natural and cultural heritage.

Congress has passed a variety of laws concerning the management and use of these heritage resources, including the Antiquities Act (1906), the Wilderness Act (1964), the Wild and Scenic Rivers Act (1968), the Wild Free-Roaming Horses and Burros Act (1971), the Endangered Species Act (1973), and the Native American Graves Protection and Repatriation Act (1990). While the requirements vary somewhat from resource to resource, the BLM is generally required to inventory, evaluate, and, where appropriate, protect these legacies for the use and enjoyment of the American people. For example:

- More than 42,000 wild horses and burros in 199 herd management areas roam the Western public lands, the majority in Nevada. The BLM seeks to ensure a healthy, viable population of wild horses and burros within the limits of available public land resources.

- The public lands encompass unique and unusual natural areas that provide habitat for more than 8,000 native fish, wildlife, and plant species. Many of these special habitat areas are critical for the protection and recovery of more than 350 plant and animal species that are either listed or candidates for listing under the Endangered Species Act.

- The BLM is steward for the Federal government's largest, most varied, and scientifically most important body of rock art, cliff dwellings, historic homesteads and ranches, and other cultural resources, totaling some 4 to 5 million cultural properties that span at least 12,000 years.

Archaeologists from BLM Safford Field Office and the University of Arizona excavate the tusk of a prehistoric mammoth at the Murray Springs Archaeological site.
(courtesy BLM's Arizona State Office)

- Congress has designated 34 Wild and Scenic Rivers in five western States comprising over 2,022 miles and encompassing 951,800 acres. The BLM has also identified a number of eligible river segments worthy of study and potential designation by Congress.

- Congress has designated 136 wilderness areas on the public lands covering 5.3 million acres. The BLM has also identified 622 wilderness study areas covering an additional 18 million acres and is managing these as study areas pending Congressional action. Following such action, the BLM will manage designated areas as wilderness and the released areas for other uses.

For both cultural resources and native plant and animal communities, BLM's goal is to work with others in developing frameworks for inven-

Small bands of wild horses and burros roam freely on 97 herd management areas in Nevada. (courtesy BLM's Nevada State Office)

tory and protection efforts, and in streamlining consultations required under the National Historic Preservation Act and the Endangered Species Act. The BLM recently signed an agreement with the Advisory Council on Historic Preservation and the National Conference of State Historic Preservation Officers, which represents an important first step in this direction for cultural resources.

In addition, the National Plant Communities classification that the Federal Geographic Data Committee's Vegetation Subcommittee is developing in cooperation with the Nature Conservancy may provide a standard classification system for rare, vulnerable, and representative habitats, plant communities, and ecosystems.

Specific challenges and opportunities include the following:

- Because wilderness and other designations are often controversial, BLM's challenge is to work with all interested parties to expeditiously identify such areas, resolve any resource use conflicts, and manage any resulting designations.

- With the tight budgets of recent years, land exchanges are becoming an increasingly viable option for obtaining lands with key conservation values while transferring properties with development and commercial potential to State and private interests.

- Simply recognizing that an area contains unique and important features does not, by itself, translate into protection of the resource. Research must be conducted to determine the effects of fire, weed invasions, or other events. Wild horse and burro populations must be managed to ensure both the health of the land and viable free-roaming herds. Recovery plans must be implemented for threatened and endangered species. BLM's challenge is to improve its understanding and on-the-ground management of all of these recognized heritage resources.

Accomplishments for Fiscal Year 1997

Cultural Heritage

In fiscal year 1997, the BLM:

- Inventoried 623,170 acres for cultural resources, recorded 9,939 properties, and issued or had in effect 448 study or management permits (excluding permits for paleontological collecting). To date, the Bureau has inventoried a total of 12.9 million acres and recorded 212,342 cultural resource properties. Of these, 241 are listed on the National Register of Historic Places, with 22 listed as National Historic Landmarks.

- Continued to operate the Anasazi Heritage Center in southwestern Colorado. At the close of FY 1997, the Center's collections consisted of an estimated 2.5 million archaeological specimens, of which 99% are estimated to be in good condition.

National Historic Trails

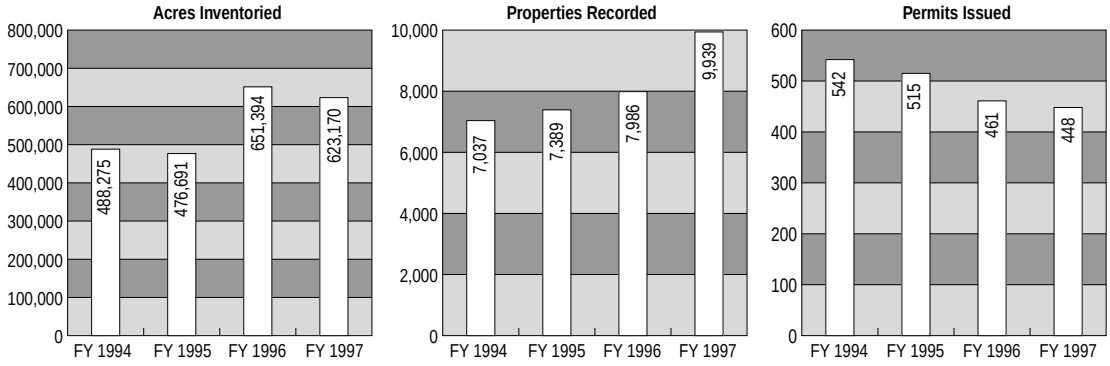
For Amelia Stewart Knight and her family, and for countless others who went before or came after, journeys across the Nation by wagon train were bridges from one life to another. The stories told by these journeys—stories of how natives and newcomers alike struggled to accommodate themselves to the land and to each other—form the history of the United States. It is a story that can be read by all Americans in the rich tapestry woven by our National Historic Trails.

The BLM is America's principal on-the-ground steward of these fragile and non-renewable resources, resources that are of national and, in some cases, international significance. Guided by the goals of the National Trails System Act to promote the protection and public enjoyment of the National Trails, BLM manages nearly 3,600 miles along nine National Historic Trails, plus nearly 1,000 additional miles along two National Scenic Trails and 26 National Recreation Trails.

The National Historic Trails pose unique management challenges. These linear and narrow corridors, thousands of miles long, cross numerous agency and State jurisdictions. The remote and sparsely populated lands along the trails also include vast expanses of private holdings. In addition to the challenge of developing and implementing multi-jurisdictional approaches to managing the trails, everyday activities such as mineral development, fire suppression, and wildlife management are just a few of the other activities that can impact the trails.

The increasing public demands for access to and enjoyment of the trails can be equally challenging for trail managers. And some trails, such as the Iditarod National Historic Trail in Alaska, remain the only available means of travel and communication between remote settlements on frontiers that are as real today as they were a century or more ago.

". . . husband traded two yoke of oxen for a half section of land with one-half planted to potatoes and a small log cabin and lean-to with no windows. This is the journey's end."
Amelia Stewart Knight, 1853



- Continued to implement the Native American Graves Protection and Repatriation Act, publishing 11 Federal Register notices identifying 46 skeletal remains and 3,528 objects subject to repatriation provisions.

- Promoted public education and awareness of the importance of protecting cultural resources through BLM's "Adventures in the Past" program. Specifically, Project Archaeology, a program for teachers and youth group leaders, provides hands-on activities to teach children about archaeology and stewardship. Project Archaeology is up and running in six western and three eastern States, and four more States will be added over the next two years. The Project involves partnerships between the BLM and other Federal agencies, State agencies, the Society for American Archaeology, and volunteer organizations.

- Published a series of history articles in Science and Children, a magazine published by the National Science Teachers Association (one of BLM's partners). Topics included the history of gold mining and prehistoric farming practices.

- Produced a special exhibit on pioneer life at BLM's National Historic Oregon Trail Interpretive Center, focusing this year on pioneer quilts, and continued a partnership with Eastern Oregon State College to provide students with internships focusing on various aspects of museum management.

- Worked with a variety of partners to observe the Sesquicentennial of the Mormon Pioneer experience. This Sesquicentennial wagon train re-enactment was the largest of the century. Nearly 500,000 visitor days were recorded along the Mormon Pioneer National Historic Trail in Wyoming. The BLM also developed an information packet that included a Highway Guide to the Mormon Trail in Wyoming.

- Teamed up with the Boy Scouts, the Pony Express and Oregon California Trails Associations, State government agencies, and various outdoor recreation groups to complete projects along the central corridor of three trails (the California, Pony Express, and Oregon National Historic Trails) that cross Idaho, Nevada, and Wyoming. A vari-

Gold panning demonstration at BLM Outdoor Week.
(photo by Edward Bovy, BLM's Alaska State Office)

ety of trail management activities were completed, including an educational conference, trail mapping, signing/re-monumentation, and interpretive projects.

- Worked with the National Park Service to develop a single comprehensive management plan for four National Historic Trails. This effort marks the first use of a 1995 Interagency Agreement to coordinate and cooperate in all aspects of managing National Historic Trails.

- Began planning for the commemoration of the Sesquicentennial of the California Gold Rush in 1999 in collaboration with Federal, State, local government, and private-sector partners.

Natural Heritage

The Grand Staircase-Escalante National Monument, BLM's first and only national monument, continued to be the focus of planning and management efforts. Future management direction for the Monument is being addressed in an overall management plan scheduled for completion by September 1999. The Bureau is working closely with Utah's Governor and other elected officials, local communities, and national constituencies to develop a plan that will be good for the people of Utah and for all Americans.

A total of 696 Areas of Critical Environmental Concern totaling almost 10.4 million acres have been designated nationwide on the public lands to protect important historical, cultural, scenic, and natural areas or to identify areas where hazards to human life and property exist. About 7 million of these acres have been designated to protect biological resource values.

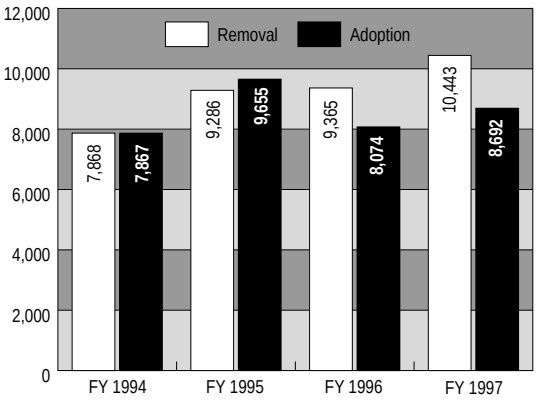
The BLM continued its stewardship of 136 Congressionally designated wilderness areas (5.3 million acres) and its management of 622 wilderness study areas (18 million acres).

The Bureau also continued to manage 34 Wild and Scenic River segments totaling 2,022 miles, including 392 miles of the Fortymile River in Alaska, the longest designated river in the National Wild and Scenic Rivers System.

Near eastern Alaska's border with Canada, Gold Rush-era mine remnants dot the banks of the Fortymile River, which boasts challenging rapids with such colorful names as "The Kink" and "Deadman's Riffle." (photo by William Robertson (retired), BLM's Northern District Office)

The BLM exercised stewardship responsibilities for eight National Conservation Areas (11.7 million acres), one National Scenic Area (65,000 acres), one National Recreation Area (1 million acres), 43 National Natural Landmarks (600,000 acres), 100 Research Natural Areas (326,000 acres), and two Globally Important Bird Areas (56,500 acres).

In 1997, 10,443 wild horses and burros were removed from the range, with 8,692 animals being adopted through BLM's popular Adopt-A-Horse or Burro program. The remaining animals are still in our facilities awaiting adoption. The Adopt-A-Horse or Burro program is very active in the continental United States. Approximately 100 adoptions are held across the country each year.



Two reports addressing management concerns regarding BLM's Wild Horse and Burro program were completed in 1997. These reports recommended operational, structural, and procedural changes in the program. Both reports were accepted and are now being implemented:

- The National Wild Horse and Burro Advisory Board is being rechartered in conjunction with the Forest Service,
- Titling of animals after one year is being emphasized,
- Compliance checks are being increased,
- The wild horse and burro data base is being upgraded,
- Employees are receiving training, and
- Public outreach is being increased.

Several hundred hours of volunteer work are donated to the Wild Horse and Burro program each year. Volunteers develop water sources for the animals, hold health and training clinics, perform compliance checks, assist at adoptions, and help promote the program. Each State has a wild horse and burro organization that promotes these animals through shows and competition. National-level organizations also contribute to the program.

In fiscal year 1997, the BLM accomplished the following relating to fossil collecting and other paleontological activities:

- Issued over 50 new paleontological resource use permits and administered a total of 100 of these permits. These permits contribute not only to advances in our understanding of the history of life on earth, but also serve as an invaluable communication tool between scientists and the BLM. At the 1997 annual meeting of the Society of Vertebrate Paleontology, nearly 20% of the papers presented were based on research done under BLM paleontology permits.

A curator from the New Mexico Museum of Natural History prepares a fossilized portion of a 120-foot-long Seismosaurus, which was found on public lands in New Mexico. *(photo by Mike O'Neill, BLM's New Mexico State Office)*

- Worked with professional societies, such as the Society of Vertebrate Paleontology and the Paleontological Society, to craft a new brochure about fossil collecting on public lands. This brochure acquaints the public with BLM's policies on fossil collecting.
- Worked with the Institute for Cambrian Studies to develop an interpretive trail and brochure for a trilobite collecting locality in Nevada.
- Continued to pool resources and staff with the National Park Service in managing and protecting significant paleontological resources in the John Day Basin.
- Continued to develop and support partnerships with both professional and amateur paleontologists, universities, and museums to support a variety of research, curation, and interpretation efforts geared to enhancing the management of paleontological resources.

Reduce Threats to Public Health, Safety, and Property

The BLM administers several programs designed to achieve the strategic goal of protecting public health, safety, property, and resources. These programs respond to many challenges, among them the illegal dumping of hazardous materials, mining waste, orphan wells, theft and degradation of Federal property and resources, wildfire, continuing facilities engineering/maintenance demands, safety hazards, and law enforcement needs. Program activities include fire management, law enforcement and resource protection, abandoned mine lands, hazardous materials management, facilities maintenance, and health and safety.

BLM's law enforcement program provides support to all program areas and seeks voluntary compliance with Federal laws and regulations. When voluntary compliance is not achieved, civil, administrative, or criminal remedies may be sought to protect the resources and public land users. Law enforcement also provides emergency response for search and rescue in coordination and cooperation with local sheriff's departments.

Response capability and responsiveness are the central focus of BLM's public safety programs. The BLM responds to more than 150 emergency incidents related to hazardous contamination annually. Wildfires, natural resource damage occurrences, and criminal activities on public lands all require funding and personnel. In a typical year, the BLM suppresses over 2,700 wildfires that burn over 900,000 acres.

Prevention is a priority. The Bureau endeavors to reduce risk factors and engage in active cost avoidance/cost recovery. Integrating risk/hazard reduction and protection components into all BLM mission activities is an overarching goal for our safety programs.

Fire Management

The BLM carries out wildland fire protection responsibilities, provides aviation services, and manages fire to help restore and maintain wildland health and achieve resource and land management objectives on 264 million acres of public lands. The Bureau works in a uniquely close, integrated partnership with the Forest Service, other Department of the Interior wildland management agencies, and State and local governments.

The BLM is the host and principal management agency for the National Interagency Fire Center (NIFC) in Boise, Idaho, which is recognized around the world as the center of excellence for wildland fire technical support and management. The Bureau also manages the Alaska Fire Service, which provides protection for all Department of the Interior and Alaska Native lands. And finally, the BLM is involved in public education in the areas of fire prevention and the role of fire in the environment.

BLM firefighter on the fire line near Petersen Mountain in the Carson City District, Nevada. *(courtesy BLM's Nevada State Office)*

Accomplishments for Fiscal Year 1997

There was a substantial decrease in wildland fire activity and total acreage burned compared to the 1996 fire season. Overall, wildland fire activity in 1997 was slightly below the 10-year average. Favorable weather was the primary factor.

The Bureau suppressed 2,046 wildland fires on BLM lands that burned a total of 1,037,144 acres and helped suppress an additional 624 fires on 468,788 acres of non-BLM lands. Overall, 80% of these fires were controlled at 10 acres or less and 90% were controlled at 100 acres or less.

With 10,766 flight hours logged (fixed wing and helicopter), the 1997 fire season was approximately 50% of normal. This represents a significant decrease compared to the 10-year average. During the course of the 1997 fire season, the Bureau suffered its first aviation fatality in over 10 years.

The Department of the Interior Aviation Board of Directors approved up-front funding for the Office of Aircraft Services (OAS) from the user agencies based on their five-year average level of aircraft usage. As a result, OAS bills to field users will reflect no surcharge amount.

The BLM also accomplished the following:

- Completed 213 prescribed fire projects and treated 62,680 acres for the benefit of forestry, range, wildlife, hazard reduction, watersheds, and ecosystem health.

- Completed the National Air Tanker Study. The implementation of this study will guide the National Interagency Air Tanker Program for the next 20 years.

- Initiated Phase I of the development of the Fire Management Plan in January 1997. The goal was to develop fire management objectives totally responsive to resource management goals. Phase I was an interdisciplinary effort and was accomplished by the end of October 1997. The results form the basis for completing Fire Management Plans, which will allow the Fire Manager to develop the organization to efficiently and effectively meet management's objectives.

- Conducted National-level Fire Readiness Reviews of the Arizona, Utah, and Wyoming fire programs. These reviews are designed to provide a comprehensive evaluation of all aspects of the fire operation, including management, facilities and equipment, training, and individual resources. The Office of Fire and Aviation will continue to conduct these reviews to establish standards for performance for the Bureau, as well as accomplishing the oversight responsibility of the Director.

- Completed a major revision to the Standards for Fire Operations Handbook to incorporate field input and document more operational standards, procedures, and policies. The purpose of the document is to provide direction to all fire personnel, from the individual firefighter to the Director.

- Established two new interagency Type 1 (Hotshot) Crews stationed in Jackson, Mississippi, and Vale, Oregon. These crews will provide a much-needed fire management resource and entry-level positions for diversifying the Bureau's workforce.

- Completed the contract development of new fire prevention training and guidance for the National Wildfire Coordinating Group (NWCG), including the P-301 course, Wildland Fire Prevention Planning.

- As a result of the success of the fire prevention teams deployed in Alaska and the Southwest areas in 1996, developed an inter-

Wildland fire suppression remains a high priority for the BLM. *(courtesy BLM's Colorado State Office)*

agency workshop and guide to enhance field expertise and procedures for future mobilizations of these proactive loss-mitigation teams.

The BLM Fire and Aviation staff participated with the Environmental Protection Agency and other Federal, State, and Tribal governments and interested parties to implement new air quality rules. This work was in compliance with the Clean Air Act and recommendations from the Grand Canyon Transport Commission Report.

The National Association of Interpretation named the Bureau's poster series "Fire's Role in Nature" the winner of its 1996 Interpretative Media Award - Poster Category.

On the international front, BLM Fire and Aviation participated in the 2nd International Wildland Fire Conference in Vancouver, Canada, in June. More than 34 nations were represented at this major event. The BLM Fire and Aviation Director presented a keynote speech and Bureau specialists exhibited technical poster papers and displays.

Senior wildland fire officials from Russia, Norway, Austria, the United Nations, South Africa, Mexico, and Canada participated in an educational visit to Idaho, New Mexico, and Alaska in June. Information pertaining to wildland fire response, procedures, and studies was exchanged. Letters of agreement for future cooperation were signed with both Russia and Mexico.

Other accomplishments include the following:

- In August and September, four BLM officials participated in a hosted tour to Russia to work with Avialesookhrana (Federal Aviation Forest Fire Protection Service) and observe procedures and natural resources.

- The Bureau's wildland fire education and prevention specialist participated in annual meetings of the forestry and rural fire groups in New Zealand and presented two prevention planning workshops for an international audience.

- More than 24 foreign delegations visited BLM Fire and Aviation headquarters at the National Interagency Fire Center during the year. They were presented information on BLM's management role and fire organization.

- A German graduate student conducted a study both at NIFC and other BLM locations in the West as part of an exchange program established during the year.

- A major meeting with Mexico and U.S. officials pertaining to radio frequency use was hosted by BLM during the summer.

Law Enforcement and Resource Protection

The BLM employs 206 law enforcement officers (56 special agents and 150 rangers) tasked with providing visitor and resource protection services in support of all BLM program areas. BLM officers conduct high-priority investigations and enforcement actions that focus on resource protection and public health and safety, with the goal of ensuring compliance with both Federal criminal laws and land use regulations on public lands under BLM's management jurisdiction.

BLM law enforcement is also committed to reducing illegal drug activities on public lands, at the direction of the Office of National Drug Control Policy. The BLM focuses its efforts on reducing marijuana cultivation and illicit drug lab manufacturing, both of which pose a direct

BLM rangers patrolling the Dalton Highway, Alaska.
(photo by Edward Bovy, BLM's Alaska State Office)

threat to the land, its natural resources, and legitimate land users.

Accomplishments for Fiscal Year 1997

- Initiated 7,613 investigations and enforcement actions.
- Opened 3,229 investigations.
- Issued 3,695 citations.
- Made 286 arrests.
- Filed or obtained 194 complaints or indictments.
- Have 185 investigations pending prosecution (23 investigations declined for prosecution).
- Re-invigorated drug suppression effort on public lands, which resulted in the eradication and seizure of 159,024 marijuana plants and other drugs valued at over $350 million. This is the highest single-season seizure of drugs by the BLM since it began keeping drugs statistics in 1988.
- Successfully concluded a major Archaeological Resource Protection Act investigation in Oregon, resulting in conviction of the suspect, imposition of criminal penalties, restitution, and site rehabilitation.
- Successfully investigated the under-reporting of oil and gas royalties in New Mexico, resulting in fines, penalties, and recovery of lost royalties totaling over $200,000.

Abandoned Mine Lands

Abandoned mine lands pose significant safety and environmental hazards to the public, to natural resources, and to ecosystems. The BLM manages abandoned mines on public lands through identification and remediation of high-priority hazards.

Abandoned mine activities in most States concentrate on those sites with public safety issues and concerns. The BLM works cooperatively with the western States to identify and mitigate the highest priority abandoned mines. In Colorado and Montana, where water quality issues are significant, the BLM is spearheading an interagency effort to clean up abandoned mines on a watershed basis.

The BLM is an active participant in the Western Abandoned Mine Restoration Partnership, which includes both Federal and State agencies as well as the Western Governors' Association.

Accomplishments for 1996 and 1997

- Identified over 3,100 safety hazards at abandoned mines.
- Identified 267 locations with environmental hazards from abandoned mines.
- Abated 868 priority safety hazards and mitigated environmental hazards at 21 priority locations through partnerships with States and other stakeholders.
- Located 61 abandoned mine disturbances containing 71 public safety hazards in the Grand Staircase-Escalante National Monument in Utah.
- Secured 201 hazardous mine openings in Nevada on BLM-administered lands under a joint agreement with the State.

Above: Using GPS equipment to map abandoned mine sites on Winnemucca Mountain in Nevada.
(photo by Chris Ross)

In Montana and Colorado, Interdepartmental Watershed Cleanup Initiative activities by the Bureau and its partners included:

- removal of polluting mine waste and tailings from stream channels and floodplains, and

- treatment of acid rock drainage from abandoned mines in priority watersheds.

A significant public safety hazard was abated at the Osbiston Mine shaft in Virginia City, Nevada, this past year. The Osbiston shaft, begun in 1878 and used until 1923, is one of many shafts and underground workings that underlie Virginia City, site of the famous Comstock lode. The shaft was plugged with car bodies in the 1950s, used as a dump, and then covered with soil in the early 1970s. The Virginia City High School was later constructed adjacent to the site. In August 1995, the mine shaft reopened with a surface cavity 40 to 50 feet across and an unknown depth. The BLM and Storey County immediately treated the shaft as a top priority and limited access to it.

In March 1996, additional collapse occurred, sending 2,000 tons of rock and soil and the headframe into the shaft and enlarging the opening to 50 by 75 feet. Site conditions were unsafe, with major sloughing.

To remediate the hazard, a permanent reinforced concrete plug was designed and installed. The remainder of the shaft was then filled with 5,100 cubic yards of rock and earth fill. By July 1997, this ambitious abatement project was completed, eliminating a significant safety hazard for the residents of Virginia City.

Hazardous Materials Management

The public lands provide opportunities for a variety of commercial uses and, at times, for illegal activities as well. Both commercial and illegal activities have led to releases of hazardous substances and creation of hazardous waste sites. Over 60% of all hazardous waste sites on public lands result from commercial uses. Landfills, mines, and mill sites account for almost half of these; airstrips and oil and gas sites make up the remainder of the hazardous waste sites arising from commercial activities. Illegal activity (trespass dumping) is responsible for almost 40% of all hazardous waste sites discovered to date.

The BLM engages in hazardous material emergency response actions, site evaluations, and prioritization of cleanups in accordance with laws and regulations. This involves working with the Environmental Protection Agency, State environmental quality departments, counties, and potentially responsible parties (both public and private) to fund and expedite the cleanup of hazardous sites. Those sites that are an imminent threat to public health and safety, as well as those sites that are under a consent order and can therefore generate penalties and fines, are a priority for the Bureau.

As of September 30, 1997, there were 1,698 sites for which cases had been opened and which were actionable under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), commonly referred to as Superfund. A total of 1,320 sites have no further remedial action planned; these cases have been closed and administratively archived.

Illegal dumping of hazardous materials on public lands can pose a serious threat to public health. *(BLM file photo)*

Accomplishments for Fiscal Year 1997

- Conducted 182 studies and searches nationwide. These include CERCLA multiphase investigations, monitoring, and searches for responsible parties.

- Carried out a total of 162 removal actions. Removal actions are relatively short-term, rapid responses to a release of a hazardous substance, or the threat of a release.

- Conducted 11 remedial actions. Remedial actions are longer-term responses that are consistent with a permanent remedy for the problem.

- Conducted a site characterization of contamination of the former Bureau of Mines facilities in Rolla, Missouri, and completed a removal of approximately 1,000 cubic yards of contaminated soil. The facilities are being transferred to the University of Missouri.

- Assisted the Carson City BLM District in conducting a cleanup of the Monite Explosives site in Sparks, Nevada. The site had several thousand cubic yards of soil contaminated with TNT and DNT that was removed to hazardous waste disposal facilities. This is the largest cleanup the BLM has ever conducted.

- Performed state-of-the-art lead isotope and electron microprobe analyses to determine the lead sources at the Tar Creek Mining Superfund site in Oklahoma. Levels of lead have been found to be elevated in children living at the site.

- Characterized heavy metal toxicity along the Clark Fork River Superfund site in Montana by sampling soils, vegetation, and small mammals and birds, and by performing toxicity studies on plants, earthworms, and deer mice.

- Undertook a two-phase study regarding aquatic and riparian habitat features relating to potential contamination effects from acid mine drainage and metals released from upstream, historic mining operations at the Iron Mountain mine near Redding, California.

Small mammals near hazardous material sites are studied to determine levels of toxicity. *(BLM file photo)*

- Did site reconnaissance and ecological effects studies for public lands along the Belle Fourche and Cheyenne Rivers in west-central South Dakota, where resources have been adversely impacted by metals contamination from upstream mine tailings releases.

- Undertook site reconnaissance and ecological effects studies for public lands along the Clark Fork River in western Montana, where resources have been adversely impacted by metals contamination from upstream mine tailings releases.

- Developed a new hazardous materials technical assistance contract, which can be used by all BLM field offices or centers.

Facilities Maintenance

The BLM, through its facilities maintenance program, provides professional engineering services and corrective and scheduled maintenance for BLM-owned buildings, recreation facilities, water and sewer systems, and transportation systems (roads, trails, and bridges) on the public lands.

The Bureau initiated a Compliance Assessment—Safety, Health, and the Environment (CASHE) program in 1993. CASHE visits help prevent environmental damage, employee illness, and accidents by identifying on-site problems and recommending realistic solutions for implementation by the field. The recommendations are usually quick and cost-effective—80 percent of the problems uncovered by CASHE have been corrected at no cost; another 19 percent have been corrected for $2,500 or less.

Accomplishments for Fiscal Year 1997

- Maintained 1,515 buildings and 1,140 recreation sites.
- Maintained or improved 8,900 miles of roads and 4,400 miles of trails, and inspected 135 bridges.
- Conducted 1,240 facility condition surveys and evaluated 130 dams.
- Completed 33 solar energy projects, utilizing solar energy for water pumps, data collection stations, and lighting.

BLM builds a new shelter cabin on the Iditarod National Historic Trail near Unalakleet, Alaska. *(photo by Edward Bovy, BLM's Alaska State Office)*

- Identified over 1,000 findings through the CASHE process related to noncompliance with environmental or hazardous material safety regulations.

Health and Safety

The BLM's safety program is managed by the National Human Resources Management Center in Denver. Safety personnel focus on providing safety services for both employees and the general public. The objectives of the Bureau's safety program are to:

- Avoid accidents and prevent harm to people, property, and the environment.
- Enhance the productivity of BLM employees by providing a safe and healthy work environment.
- Ensure the well-being of the publics we serve.
- Improve the health of the land and its resources.

Accomplishments for Fiscal Year 1997

- Office of Workers' Compensation costs to the Bureau in 1997 totaled $4.9 million, a 9.2% decrease from the previous year.
- A visitor safety initiative was implemented to increase the public's awareness of the need to be safety-conscious when using the public lands. Visitor safety messages have been incorporated into all BLM brochures, maps, and other information the public receives from the BLM.
- A strategy to reduce BLM's worker injury compensation costs was implemented. A training course for workers and managers was developed and broadcast to over 4,000 employees. Additionally, a handbook was developed for supervisors and managers to use when employees are injured on the job. The handbook also addresses issues associated with long-term injury cases.

Improve Land, Resource, and Title Information

The BLM has extensive current and historical information about land ownership, use, and condition in the United States. The agency maintains cadastral survey and historical data on lands patented, along with information on the mineral estate, resource conditions, and permits or leases on Federal lands.

The BLM is also responsible for providing customers with efficient and effective means to retrieve and use this information. Historical records are critical to resolving many ownership disputes and are increasingly recognized as an important source of both genealogical information and data about historic resource conditions in the United States.

As the scientific complexities of managing ecosystems emerge, data collection and analysis become ever more vital to managing the land. The BLM's information about land ownership, status, and condition is of interest to a wide variety of parties, including public land users; other Federal, State, Tribal and local agencies, and the scientific community.

Information technology capabilities are important to BLM's customers. The Bureau is using information technology to speed up workflow, improve accuracy, and share information with customers, agency partners, and the public.

Serving customer needs requires the highly technical job of determining user requirements, developing systems, collecting and storing data, maintaining systems, and providing for security and training. The BLM has been a leader in using geospatial tools (GIS, mapping, remote sensing, and GPS) to acquire and process information that land managers can use to determine the location, extent, and condition of natural resources and to monitor activities on public lands.

BLM employees and customers expect accurate and timely information. To respond to demands for faster and more accessible records, the Bureau's land ownership, status, and other records will be automated. Deployment of this automated system, known as the Automated Land and Mineral Record System (ALMRS), will begin in fiscal year 1998.

The BLM's response to the following challenges will be critical to its continued collaborative efforts with others:

- Information technology can increase the efficiency of business processes, but the BLM cannot afford multiple systems doing similar functions, redundant data entry and retrieval, and excessive long-term costs for maintenance and training.

- Enhancing ALMRS to allow both external and internal customers to access data while maintaining data integrity will be a challenge. (Enhancements will include greater querying and spatial capabilities, Internet and other public access, and links to other systems).

- To simplify the exchange and retrieval of information among diverse organizations, data standards must be developed and agreed to among the participants. Quality control will be necessary to ensure that BLM's data and information are reliable and current.

- Advanced technologies must be available to assure wide dissemination of information on a variety of media. System enhancements will be necessary over time.

Eastern States Cadastral Surveyors, in partnership with the National Park Service, identify the boundaries of the Manassas National Battlefield in Virginia.

Accomplishments for Fiscal Year 1997

Performance Goal: Through automation, provide a more efficient means to use land information. *By 1999, complete implementation of the Automated Land and Mineral Record System (ALMRS) release 1.0. By 2001, certify ALMRS data as the official agency record and establish electronic reading rooms containing information frequently sought by BLM customers.*

Performance Goal: Ensure that BLM's spatial, cadastral, and records data and information are collected and maintained to standard. *By 2002, complete the BLM Geographic Coordinate Database (GCDB) component of the interagency National Spatial Data Infrastructure, except for California, which will be completed by 2005.*

Performance Goal: Increase information sharing and collaborative decision making by providing wider access to BLM's business and land information. *By 2000, working with customer survey information, use the Internet, Intranet, and electronic commerce to respond to the most frequently requested services and products. By 2002, increase customer satisfaction with interconnectivity among Federal, State, Tribal, and county governments and non-governmental organizations.*

Performance Goal: Provide spatial data technologies to assist in data collection and analysis to support resource management decision making. *By 2002, increase the availability of tools and products that support geospatial data acquisition, analysis, and management.*

Workload Measure	FY 1995	FY 1996	FY 1997
States with ALMRS databases loaded	(test only in NM) 1	(test only in AZ, NM) 2	(NM test) 1
Number of ALMRS/Modernization workstations installed	2,527	3,272	5,854
Results of tests—data accuracy of ALMRS data	92%	96-98%	96-98%
ALMRS Release 2 modules specifications identified/completed	0/0	0/0	5/0
Legacy systems moved to modernization platform	0	0	11
Offices loaded with AFMSS databases	0	(test only) 2	30
AFMSS data accuracy	NA	NA	95%
General Land Office (GLO) land title records automated	1,340,000	1,647,000	1,835,000

Geographic Coordinate Database Accomplishments for Fiscal Year 1997

Category	Number of Townships
Total townships planned (Western States)	31,805 (100%)
Townships with data collected	25,781 (81%)
Townships with data collected and verified	24,363 (77%)
Townships ready for input to ALMRS	22,126 (70%)

Automated Land and Mineral Record System (ALMRS) Accomplishments

- Completed a draft project plan for ALMRS Release 2 that included the requirements, specifications, and recommendations.
- Developed a brochure for ALMRS Release 2.
- Established the User Functional Assessment Team.
- Made presentations on ALMRS Release 1 and 2 to four State Offices (Utah, Colorado, Wyoming, and Montana).
- Conducted testing on ALMRS (capability demonstration assessments), alpha tests 1- 4; (tests 1-3 occurred in FY 1997; test 4 was completed in early FY 1998).
- Developed an ALMRS transition/deployment plan for implementation in BLM's State Offices.
- Conducted an ALMRS/Public Room assessment.
- Refined the life-cycle cost model.
- Conducted ALMRS staffing assessments and site readiness reviews for four States and BLM's National Centers.
- Successfully transitioned all legacy systems from the Honeywell system to the new operating system except for the Wild Horse and Burro program.

Access to BLM's Business, Land, and Other Information

To eliminate redundant systems and integrate work processes across the Bureau, the BLM Information Resources Management Review Council (IRMRC) decided to move the Bureauwide personal computer systems to Windows NT technology.

In FY 1997, the BLM was one of the few agencies within the Department of the Interior to accomplish all of the actions required by the 1996 Freedom of Information Act (FOIA) Amendments by the target date stipulated under the Act. These included identifying documents required to be made public, converting the paper documents into electronic format, developing an Electronic Homepage with links to the 18 major BLM offices, posting the requested information onto the Homepage, and providing BLM's cus-

Accessibility of BLM's Information

Workload Measure	FY 1995	FY 1996	FY 1997
Databases available electronically to BLM staff and managers	20	36	37
Reference documents available electronically to BLM staff and managers	0	1,500 on BLM's Internet and Intranet sites	7,500 on BLM's Internet and Intranet sites
Number of staff with access to e-mail	5,200	19,000 (includes 10,000 non-BLM personnel within DOI)	40,000 (includes 31,000 non-BLM personnel within DOI)
Databases available electronically to the public	5	20	21
BLM offices with electronic FOIA home pages	0	1	18
BLM documents available electronically to the public	0	950	40,000
BLM offices allowing FOIA requests to be filed electronically	0	0	18

tomers with a search engine to facilitate their search for records Bureauwide by type of inquiry. Reference guides for the public were developed and made available on BLM's Homepage.

To further enhance public participation and interest, the BLM introduced electronic filing of FOIA requests directly with BLM offices to save the public the time and expense of sending requests through the mail. Direct filing also provides contacts for FOIA questions as well as general BLM inquiries. Other FOIA processing requirements are currently being implemented.

The Bureau took the following steps to protect privacy rights by strengthening safeguards on BLM Privacy Act Systems:

- Identification of sensitive systems at risk.
- Standardization of the disclosure restriction notice.
- Increase in firewall protection.
- Revision of BLM's security plans for privacy act systems.

The BLM has made improvements in using Internet technology to provide business information to its managers and employees with the development of an internal "Intranet" site. Several pilot projects are ongoing in the State Offices to demonstrate the concept of providing electronic delivery of services to BLM customers. Services that will be provided on the Internet in the future include interactive online mapping and resources information, an interactive public land information center, general land and patent information retrieval, access to national environmental planning information, and interagency information on recreational opportunities. Virtual partnerships have already been established with the U.S. Forest Service.

A BLM public room employee provides land record assistance at BLM's Alaska State Office. *(photo by Edward Bovy, Alaska State Office)*

Provide Economic and Technical Assistance

The BLM Strategic Plan heralds a new era of cooperation and coordination with partners who are interested in promoting sustainable economic activities consistent with the principles of multiple use and long-term biodiversity. The Bureau can contribute significantly toward these outcomes in a variety of ways, including:

- Adjusting land tenure between Federal agencies and States to make management of lands more effective.

- Transferring land to local governments under the Recreation and Public Purposes Act.

- Conveying land to Alaska Native peoples, Native corporations, and the State of Alaska under the Alaska Native Claims Settlement Act (ANCSA), the Alaska National Interest Lands Conservation Act (ANILCA), and the Alaska Statehood Act mandates.

- Providing Indian Tribes with technical assistance in developing the energy and mineral resources they have leased.

- Providing fire suppression services on all Federal and Native lands in Alaska.

In addition, BLM-managed public lands generate substantial revenue from multiple use activities, much of which is returned in direct payments to the States and counties of origin. These payments are distributed to local governments to pay for such things as schools, roads, and employee salaries.

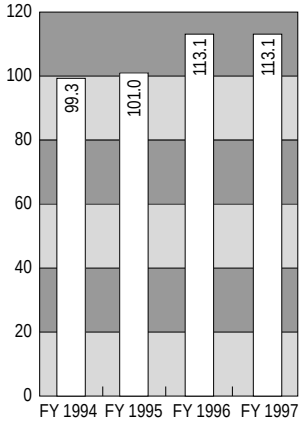
The Bureau's extensive surface and subsurface holdings put it in a unique position to manage public resources in a manner that helps assure long-term economic sustainability consistent with preserving biodiversity and improving the health of the land.

Accomplishments for Fiscal Year 1997

In support of the President's Pacific Northwest Forest Plan, the BLM runs the Jobs in the Woods ecosystem investment program. In FY 1997, the program's fourth year, a total of $7.8 million was allocated to continue the program of watershed restoration and job creation for displaced workers in the timber-impacted region.

During fiscal year 1997, BLM's Jobs-In-The-Woods program created 362 job opportunities through 215 ecosystem restoration projects. The Wyden Amendment to the FY 1997 appropriations bill authorized the Bureau to spend money on private lands for restoration work that also benefits BLM lands. This has provided further opportunities to work more closely with others who have common goals and priorities, allowing the BLM to better address restoration needs across entire watershed systems.

Each year, the Bureau calculates and remits the Payments in Lieu of Taxes (PILT) to counties. These payments are intended to offset property tax shortfalls (under a Congressional formula) occurring in counties with public land holdings. As the following data show, the 1997 level was virtually the same as that for 1996, with both years being significantly higher than the FY 1994 and 1995 levels.



Numerous cooperative activities are now underway involving Federal, State, county, and private partners. These provide opportunities to

reach a common understanding regarding the issues needing to be addressed and a framework for working together to track progress.

The Trading Post initiative in Colorado and Oregon represents an excellent example of improvements in joint BLM/Forest Service operations. This example of interagency cooperation has resulted in dollar savings, significantly improved customer service and convenience, and increased the ability to coordinate land management activities. The "Deliver Quality Services to Customers" section of this report provides more detailed information on the Trading Post initiative.

Many ongoing partnerships involve rural development councils, numerous public interest groups (including the National Association of Counties and National Governors Association), and Tribal, State, and special interest organizations. These partnerships will not only facilitate meeting our commitments in the Strategic Plan and multiple use mandate, but will also help the BLM prioritize its expenditure of time and resources in reaching outcomes of value to our customers.

There is an increased understanding that the BLM can manage the public lands successfully only in cooperation with others. This results from the awareness that public lands are just one component of a larger whole that has a wide variety of owners and managers, including Federal, State, Tribal, and local agencies; commercial interests; and private citizens and organizations.

An excellent example of this increased understanding is the California Desert plan, which involves the BLM, National Park Service, Fish and Wildlife Service, Department of Defense, and three local military bases, as well as State and local partners. Another example is the planning effort associated with the Grand Staircase-Escalante National Monument; the Bureau has included five State of Utah employees representing a variety of disciplines on the planning team. These types of efforts represent the new direction for the agency as it moves into the 21st Century.

The Alaska Native peoples are among those having statutory land entitlement rights that BLM has responsibility for processing. *(BLM file photo)*

Blueprint Goal
RESTORE AND MAINTAIN THE HEALTH OF THE LAND

Working with others to restore and maintain the health of the land is the foundation for everything the BLM does. Livestock grazing, timber harvesting, hunting, fishing, and other resource uses can be sustained over time only if the land is healthy.

Healthy lands are lands whose processes are in balance. And this balance is dynamic: humans can work with changing conditions to receive a predictable and reliable flow of both commodities and amenities. Healthy lands are resilient and, as a rule, respond predictably to disturbance, while providing for human needs and values. Key ecological systems that interact in dynamic balance include human, hydrologic-land, carbon-nutrient, food web, and evolutionary systems.

Generally speaking, land health changes slowly over time. Because the BLM is mandated to take a long-term approach to managing the public lands, it focuses on how well ecological processes function within and across ecosystems or watersheds.

Many of the lands managed by the BLM were degraded by the end of the nineteenth century because of unsustainable livestock grazing, timber harvesting, and mining practices. While important strides have been made in this century in developing and applying more sustainable management practices, resource conditions are still unsatisfactory in some areas.

The U.S. Forest Service, in its 1993 Renewable Resource Assessment update, found many of the Nation's rangelands in unsatisfactory condition; timber mortality up by 24.3%; a backlog of unreclaimed, abandoned, and inactive mines, including many on public lands; and continued loss of biological diversity.

The public lands are just one component of a larger, intertwined, and interdependent landscape that has a variety of owners and managers, both public and private. Working with others, the BLM is helping to develop and implement an overall strategy for maintaining and restoring the health of the land. This strategy has three interrelated components:

- *Standards for the health of the land.* In 1995, the Secretary of the Interior established 24 Resource Advisory Councils to advise the BLM. These Councils, which represent a balance of views among various interests, have helped the BLM shape and define a shared vision for standards of rangeland health.

- *Assessments of ecological condition, trend, and function.* The BLM and others are working to develop cost-effective methods to measure and track the health of the land.

- *Restoration and maintenance activities.* Because funding and staffing are not currently available to restore and maintain the health of all of the public lands, BLM's highest priority will be to restore lands with

Above: A young Rocky Mountain bighorn sheep grazes contentedly at Whiskey Mountain in Wyoming. (courtesy National Bighorn Sheep Interpretive Center)

the greatest likelihood for recovery and increased benefits, especially those lands that are at risk.

In implementing this strategy, BLM's efforts are being guided by several principles:

- *Landscape approach.* A landscape approach looks at an area that is large and encompassing enough to accommodate not only the particular resources of interest, but also any adjacent lands connected by functions and/or processes.

- *Adaptive management.* To be effective, resource management practices must consider local conditions. Practices that are sustainable in one area may not work in another. The BLM recognizes that ecosystems are dynamic. Management practices must adapt as conditions change and as new information becomes available through resource monitoring and customer/stakeholder input.

- *Management partnerships.* Cooperative restoration strategies across landscapes will work only if public land users, adjacent landowners, involved governments, and others all work together.

Most of the lands managed by the BLM in the American West are characterized by thin soils and low annual precipitation. They are subject to a wide variety of environmental stresses. In some areas, it will be impossible to restore the lands to their previous resiliency and diversity. In other areas, decades may be required to demonstrate any real progress.

While recognizing these difficulties, the BLM is committed to moving forward. The actions that the Bureau plans to take to restore and maintain the health of the public lands are discussed in terms of accomplishments under three interrelated strategic goals: *(1) Establish and implement management standards and guidelines, (2) Identify resources at risk, and (3) Restore public lands to healthy condition.*

View from Mt. Bennett, Idaho. *(courtesty BLM's Idaho State Office)*

Establish and Implement Management Standards and Guidelines

Standards are expressions of physical and biological conditions or the degree of function required for healthy, sustainable lands. They are developed to meet local conditions and are included in the land use plan for the area. To ensure consistency across the public lands, the standards provide for ensuring that:

- Watersheds are in properly functioning physical condition.
- Ecological processes are being maintained.
- Water quality complies with standards and achieves management objectives.
- Wildlife habitats are being restored or maintained.

Public Lands with Comprehensive Health Standards Prescribed in Land Use Plans as of September 30, 1997

Jurisdiction	Percent of Public Land Acreage
Alaska	—
Arizona	84
California	51
Colorado	100
Eastern States	—
Idaho	100
Montana	100
Nevada	90
New Mexico	100
Oregon	96
Utah	100
Wyoming	100

The BLM is also establishing management guidelines. For instance, guidelines for grazing management describe the grazing methods and practices needed to ensure that standards are met or that significant progress is made toward meeting the standards.

Establishing and implementing standards and guidelines is a complex undertaking that will require the BLM to closely coordinate with others. Because of the diversity of ecosystems represented on the public lands, these standards and guidelines may vary from one area to the next. Once standards and guidelines are implemented, BLM's ability to make consistent, proper land-use decisions for the benefit of all will be greatly enhanced.

Accomplishments for Fiscal Year 1997

Performance Goal: Incorporate comprehensive standards for public land health into BLM's existing land use plans. *By 2000, incorporate standards and guidelines for the health of the public lands into agency land use plans.*

During 1997, standards for land health were approved for all of BLM's rangeland acreage. This was done in concert with the Healthy Rangelands Initiative supported by the Secretary of the Interior. Standards have also been incorporated into land use plans in the Pacific Northwest Forest Area.

Successful development and application of health standards depends upon general agreement and acceptance by all affected interests. To help accomplish this, the Secretary of the Interior has established Resource Advisory Councils. These Councils have been carefully structured to represent the wide array of diverse views and ideas in each region. There are 24 Resource Advisory Councils advising BLM's State Directors.

Identify Resources at Risk

Reliable information about prevailing public land health and how it has changed over time is essential to maintaining and restoring the health of the land. The BLM must determine which lands are healthy, which are not healthy, and which are at risk. At-risk lands often provide the best opportunities for improvement at a reasonable cost. The BLM will determine the priority of lands that are at risk and then alter management strategies and actions to reduce risk wherever feasible.

The BLM is committed to managing the public lands on a landscape basis—a "big picture" approach—that considers conditions and resources across a land area and takes into account adjacent lands connected by functions and/or processes. To understand and reduce risks, assessments must provide reliable information about the fundamentals of land health.

In the past, most BLM resource data has come from local inventories or monitoring. While site-specific data are essential for many day-to-day management decisions, they do not necessarily help the Bureau manage on a landscape basis. Consequently, one of the challenges facing the BLM is developing and applying a unified assessment system.

The BLM is not alone in recognizing the need for a reliable, cost-effective way to assess land health. The White House Office of Science and Technology Policy recently coordinated the development of a framework that will help integrate existing monitoring and research. That framework is now being tested through a pilot in the mid-Atlantic States.

The Bureau will take the lessons derived from such efforts and, in collaboration with others, develop a monitoring and assessment system that can be applied on a routine basis over widespread areas. This assessment system will have to be understandable, cost-effective, reliable, and repeatable and will require widespread support to be of most benefit. It should also include the use of remotely sensed data (i.e., derived from satellite imagery) and other emerging technologies.

Regional Health Assessments, Fiscal Year 1997

Jurisdiction	Areas Assessed (acres)
Alaska	
Arizona	
California	
Colorado	7,000,000
Eastern States	
Idaho	10,186,000
Montana	150,000
Nevada	2,002,500
New Mexico	
Oregon	11,606,000
Utah	52,500
Wyoming	23,000

Accomplishments for Fiscal Year 1997

Performance Goal: Develop and implement a comprehensive strategy for systematic resource assessment on the public lands. *Develop an assessment system that will provide the reliable, credible information needed at multiple levels to meet all of BLM's resource assessment needs. By 2001, provide direction to the field for conducting systematic assessments based on established health standards.*

Performance Goal: Until a comprehensive resource assessment strategy is implemented, continue to conduct assessments required to meet management needs using available methods and systems. *Working with others, assess key watersheds, riparian areas, and other high priority areas that may be at risk from weed infestation, disease, or other sources of degradation.*

During FY 1997, the BLM worked together with the Natural Resources Conservation Service to determine how well the National Resources Inventory, conducted by that agency periodically on private lands for the past several decades, might be adapted for assessing and tracking the health of rangelands. The test effort was conducted on 7 million acres of BLM-managed rangelands in Colorado. The test results are not yet complete; analysis of these results and the lessons learned will take place during 1998.

The BLM is also participating in a number of other interagency and intergovernmental assessments of ecological condition, trend, and function. Examples include the Eastside and Upper Columbia River Basin assessments, primarily in Oregon and Idaho, and the Henry's Fork assessment in Idaho and Wyoming.

These assessments are crucial to improving BLM's understanding of natural and human sources of ecosystem stress. They also help identify areas that warrant restoration and maintenance activities. The accompanying table shows those areas where regional health assessments were completed in FY 1997.

The BLM will continue to use existing quantitative and qualitative methodologies to assess individual grazing allotments, riparian areas, key watersheds, and priority upland areas. The results of these assessments will be used to help focus the restoration and maintenance activities discussed in the next section.

Fall cattle drive along the Gold Belt Tour Backcountry Byway. *(courtesy BLM's Colorado State Office)*

Restore Public Lands to Healthy Condition

The BLM will use the results of assessments to identify lands not meeting health standards and resources at risk. The Bureau is committed to restoring public lands to a healthy condition wherever feasible.

The lands managed by the BLM are, to a large extent, ecologically sensitive to disturbance and require long periods of time for the natural recovery processes to occur on their own. This is why specific land treatments are sometimes necessary to bring about restoration.

The BLM is focusing its efforts on restoring areas that are functioning at risk and that are expected to yield the greatest benefits. These areas are usually high in value and show promise of responding to management intervention.

Accomplishments for Fiscal Year 1997

Performance Goal: Restore and maintain riparian areas and priority watersheds. *Focus initial restoration efforts within riparian areas and high priority watersheds, including those identified as "key" watersheds in the Pacific Northwest Forest Plan and the Interior Columbia Basin. Give priority to areas at risk. Monitor these areas regularly to assure that health is maintained and, beginning in 1998, report on progress annually.*

Performance Goal: Restore priority plant and animal habitats. *Implement special status plant and animal habitat treatments prescribed in agency plans. Monitor these areas regularly and, beginning in 1998, report on progress annually.*

Performance Goal: Use fuel treatments (especially fire) to reduce hazardous fuels build-up and to improve the health of vegetation communities. *By 2005, use wildland and prescribed fires and other land treatment tools, averaging 500,000 acres annually. Increase protection for plant communities at risk from fire. Beginning in 1998, report on progress annually.*

Performance Goal: Emphasize the control of noxious weeds and undesirable non-native plants to limit their spread and improve the health of vegetation communities. *Decrease the spread of invasive weeds. Aggressively control weed establishment in new areas. Emphasize cooperative weed management areas and plans with all counties. By 2002, have cooperative weed management agreements with 50% of the counties that have invasive weed programs.*

During the next few years, the BLM will give priority to restoration efforts in key watersheds, riparian and wetland areas, and special status plant and animal habitats. The Bureau intends to make greater use of managed fires and mechanical practices to reduce hazardous fuel build-up and restore healthy conditions to forests and rangelands. The BLM also envisions opportunities to arrest the spread of invasive, noxious vegetation (commonly referred to as weeds) through implementing cooperative action plans.

The accompanying table shows specific health condition improvements on BLM-managed public lands in FY 1997 for riparian areas, wildlife habitat, and wetlands, as well as weed treatment acreages.

Health Condition Improvements on Public Lands, Fiscal Year 1997

Jurisdiction	Riparian Areas (miles)	Wildlife Habitat (acres)	Wetlands (acres)	Weed Treatment (acres)
Alaska				
Arizona	3	6,927		700
California	207	1,715	314	1,510
Colorado	461	765		2,687
Eastern States				
Idaho	181	75,094	50	NA
Montana	70	1,868	4,291	151,006
Nevada	29	6,253		341
New Mexico	2	14,499	491	931
Oregon		13,893	54,613	13,553
Utah	215	67,103	700	51,450
Wyoming	185	16,327	930	5,443

Because funding available for restoration will often be a limiting factor, the BLM intends to emphasize development of cooperative strategies with involved State and local government entities, other public bodies, and interested stakeholders. One example of this is the Western Abandoned Mine Partnership proposed by the Western Governors Association and the Department of the Interior to improve streams degraded by abandoned mining operations. The BLM is committed to expanding partnerships such as this.

Maintaining Healthy Lands

Each year, the BLM takes actions required to maintain healthy lands. This is accomplished through a variety of means, the most common being the prescription of use conditions, establishment of special designations, and monitoring.

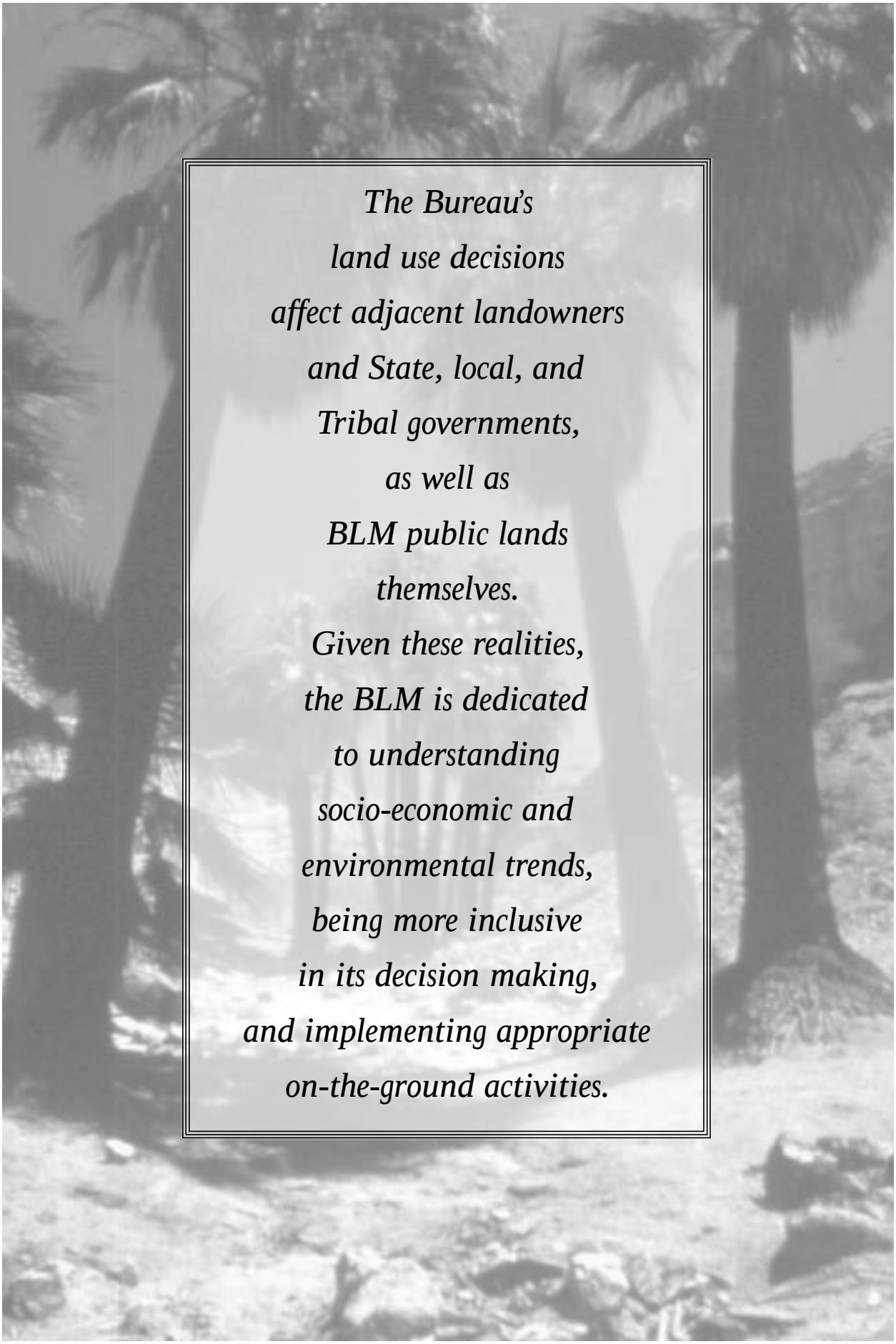
Whenever the BLM authorizes a use on the public lands, it attaches conditions designed to sustain the long-term capacity of the land and to maintain healthy conditions. The conditions needed in each case are determined primarily through the environmental review process called for by the National Environmental Policy Act. Each year, the BLM conducts thousands of reviews to consider proposals covering millions of acres.

Another means used by the Bureau is the designation of areas requiring special management to protect them and preserve acceptable health. A variety of designations are available that can be adapted to the specific circumstances and character of each particular setting. Some designations can be extended at the discretion of the BLM (administrative designations), while others are applied by statute when Congress determines that the national interest warrants (statutory designations).

Examples of administrative designations include areas of critical environmental concern (10,371,582 acres), wilderness study areas (18,020,549 acres), national natural landmarks (599,042 acres), and research natural areas (326,449 acres). Examples of statutory designations include Wild and Scenic Rivers (2,022 miles), wilderness areas (5,251,366 acres), and national conservation areas (11,689,774 acres).

The BLM systematically monitors public lands and their resources to ensure that management practices are achieving their intended objectives. Monitoring usually involves observing or measuring selected parameters at prescribed intervals as needed.

A fish ladder on Lake Creek in Oregon restores migration routes for native fish. *(photo by D. Huntington)*



The Bureau's
land use decisions
affect adjacent landowners
and State, local, and
Tribal governments,
as well as
BLM public lands
themselves.
Given these realities,
the BLM is dedicated
to understanding
socio-economic and
environmental trends,
being more inclusive
in its decision making,
and implementing appropriate
on-the-ground activities.

Blueprint Goal
PROMOTE COLLABORATIVE MANAGEMENT

Natural resource agencies are becoming increasingly aware of the complexities involved in public land management and the effects land use decisions have on others. Land ownership patterns in the West are fragmented. Public lands are intermingled with lands owned and managed by many others. As a result, watersheds, plant and animal populations, and human uses frequently cross jurisdictional boundaries.

The BLM is committed to managing the land and its resources for the good of both the environment and the people who rely on resources from public lands. But the BLM is acutely aware that it cannot accomplish this in a vacuum. The Bureau's land use decisions affect adjacent landowners and State, local, and Tribal governments, as well as BLM public lands themselves. Given these realities, the BLM is dedicated to understanding socio-economic and environmental trends, being more inclusive in its decision making, and implementing appropriate on-the-ground activities.

Cooperation among the BLM and other agencies or private interests that have a stake in public land management is essential. A few examples of existing cooperative efforts include the following:

- State fish and wildlife agencies are responsible for managing most of the fish and wildlife populations that reproduce, live, grow, and feed on BLM-administered lands.
- The Edison Electric Institute, the Western Utilities Group, the U.S. Forest Service, and the BLM have cooperatively prepared the Western Regional Corridor Study.
- The National Park Service relies on the U.S. Forest Service, the BLM, and others to provide overflow services for visitors during the heaviest-use seasons.
- Grand County, Utah, cooperates with the BLM to maintain recreation facilities and provide visitor services on public lands. The uses of public land in the county support hundreds of local jobs related to recreation, tourism, hotels, food, and other services.
- The State of Nevada provides hardrock mine inspection services for the BLM.
- The Nature Conservancy acquires private lands to protect at-risk ecosystems, species, or natural features, complementing Federal agency efforts.
- The BLM, through the Alaska Fire Service, provides fire suppression on all Federal and Native lands in Alaska.

Above: BLM Ranger coordinates with Alaska State trooper in northern Alaska. *(photo by Edward Bovy, BLM's Alaska State Office)*

- The Red Rocks Canyon Interpretive Association raises funds for environmental education and interpretive materials to help visitors better understand the unique and delicate resources of the desert area around Las Vegas.

The BLM is committed to building effective partnerships that will accomplish three interrelated goals: *(1) Improve understanding of environmental, social, and economic conditions and trends; (2) Promote community-based planning; and (3) Expand partnerships to implement on-the-ground activities.*

A partnership between BLM and the city of Lake Havasu resulted in this Rotary Park in Arizona. *(courtesy BLM's Arizona State Office)*

Improve Understanding of Environmental, Social, and Economic Conditions and Trends

Information and education are essential to managing the public lands. To sustain the health, diversity, and productivity of the public lands, land managers need sound information about resource conditions, ecological trends, and ecosystem function. They also need information about the sustainability of public land uses and the contribution these uses make to local and regional socio-economic conditions.

The BLM is committed to using the best scientific and technical information available to make resource management decisions and to communicating that information to its partners.

The public will be able to effectively participate in managing the public lands only if it has sound information about resource management opportunities and constraints. The Bureau is committed to working with others to ensure that the public has access to timely and pertinent information about environmental, social, and economic trends affecting the management of the public lands.

The BLM is not a research organization and must rely primarily on others to conduct basic and applied research for its use. The Bureau collaborates with others on a variety of functions and across diverse geographic areas. It is vital that we continue to work with others to identify where the greatest benefit can be realized when research results are applied to on-the-ground situations.

Information that is useful to managing the public lands is gathered by many parties, including the BLM itself; other Federal agencies; State, Tribal, and local governments; quasi-governmental entities such as watershed councils; land grant colleges and universities; local land users; and non-governmental organizations such as the World Resources Institute. Research information is gathered at varying scales and for disparate purposes. Interactive data bases will be essential to effectively share this wealth of information.

Accomplishments for Fiscal Year 1997

- Implemented a strategic plan for science to improve the delivery of scientific information to land managers.

- Developed recommendations through BLM's National Science Council for improving the delivery of scientific information to land managers.

- Refined, in collaboration with the U.S. Geological Survey's Biological Resources Division, the process for identifying, prioritizing, and meeting our research and scientific information needs.

- Participated with others in developing regional biophysical/socioeconomic information databases associated with the Upper Columbia River Basin Ecosystem Management effort, Lower Colorado River Floodplain database, Sierra Nevada Ecosystem plan, West Mojave Desert management plan, Greater Yellowstone Area Data Clearinghouse, and Snake River Resource Review. Many other local and watershed-scale databases have also been developed in cooperation with partners.

Anglers seeking cutthroat trout drift past waterfalls on the South Fork of the Snake River. *(photo by Don Smurthwaite, BLM's Idaho State Office)*

- Developed a long-term ecological research and monitoring watershed in southeastern Utah in cooperation with the U.S. Geological Survey's Biological Resources Division, the National Park Service, The Nature Conservancy, and private landowners.

- In collaboration with our science partners, supported and participated in 56 research projects dealing with rangeland ecosystem function and restoration, weed management, riparian improvements, minerals, threatened and endangered plant and animal species, forest ecosystem restoration, wild horse fertility and genetics, and wildfire control.

- Completed a pilot study of rangeland condition assessment using remote sensing methods.

- Initiated a pilot study of the National Resource Inventory method on public lands in Colorado.

Management of wild horse and burro populations requires accurate, up-to-date information on population numbers and habitat conditions. *(courtesy BLM's Eastern States Office)*

Promote Community-Based Planning

Effective public land management depends on bringing together all who use and care about the land to shape a shared, common vision for its management. While the ultimate decision-making authority for the public lands cannot be delegated, Federal land management agencies must more actively serve as facilitators of the planning process and as sources of technical assistance.

The BLM always benefits from the knowledge and experience of others. Planning is a two-way street that is most successful when Federal, State, and Tribal land managers, private landowners, public users, and the general public maintain open lines of communication and work together towards a common vision for the land.

The Federal Land Policy and Management Act (FLPMA), the National Environmental Policy Act (NEPA), and other resource-specific laws establish broad principles and policies for the BLM to:

- Involve public land users, adjacent landowners, and the general public when making land use decisions;
- Coordinate Federal management actions with local communities, States, Indian Tribes, and other Federal agencies;
- Use the best available scientific information to make land use decisions; and
- Analyze and document the effects of Federal actions.

These laws guide BLM's planning and environmental impact assessment activities and provide a sound basis for decision making.

The planning process that the BLM implemented in the early 1980s to meet its statutory requirements has proven to be complicated, expensive, and time consuming. To address this, the BLM has participated in extensive discussions with other Federal agencies; State, Tribal, and local governments; and a wide variety of non-governmental organizations. As one example, the BLM, in partnership with the U.S. Forest Service, is cooperating with the Western Governors' Association and the National Association of Counties on practical improvements in the planning process.

Today, the BLM has broad representation from local and national stakeholders who participate in 24 Resource Advisory Councils that advise the BLM on State-level resource management issues. Input is also received from other advisory boards that address local, regional, or national issues. While community-based planning can be time-consuming and expensive, the BLM is committed to this effort because it results in shared ownership of plans and more effective implementation.

Based on what it has learned, the BLM is developing a new approach to planning. At a minimum, this new approach will:

- Rely on interagency and intergovernmental regional assessments to improve understanding of environmental, social, and economic conditions and trends;
- Provide for amendments to existing plans as required to address new proposals or resource problems and to incorporate new resource information;
- Emphasize collaboration with stakeholders;
- Allow planning boundaries to vary depending on the issues being addressed;
- Encourage the development of landscape-based resource condition objectives appro-

Biologists in field camp discussing next day's work. (photo by Edward Bovy, BLM's Alaska State Office)

priate to the scale of the issues being addressed; and

- Improve coordination of land use decisions across ownerships and jurisdictions.

Accomplishments for Fiscal Year 1997

Performance Goal: Expedite the analysis of new proposals and facilitate the evaluation of new information about socioeconomic and environmental conditions and trends.

Working with others, by 1999 develop and implement new land use planning and environmental impact assessment guidance, and develop associated training courses for field managers.

Performance Goal: Improve BLM's ability to participate in multi-jurisdictional planning. *By 1999, develop and field-test tools to help BLM managers participate in multi-jurisdictional land use planning efforts.*

In fiscal year 1997, the BLM expedited the review of planning protests to allow approval of six Resource Management Plans (RMPs) along with integrated Environmental Impact Statements (EISs), compared to none in FY 1996. Five RMPs are in progress and one new RMP will begin in FY 1998. The RMP for the Grand Staircase-Escalante National Monument will supersede the plan that was in progress for that area prior to monument designation.

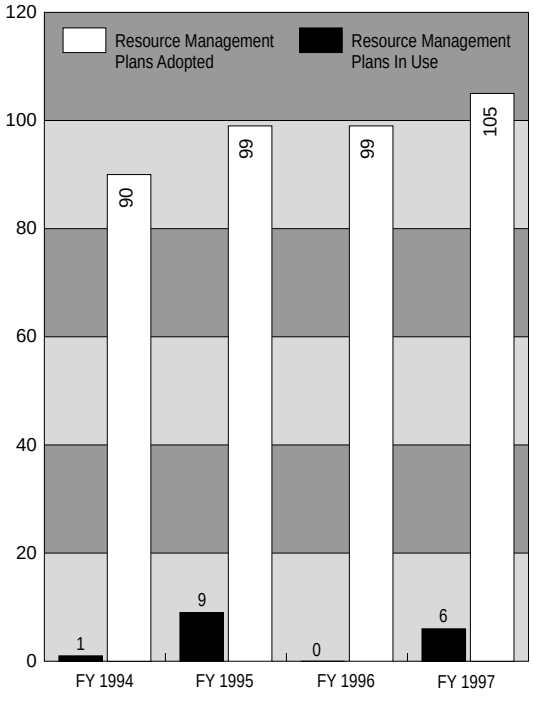
Continuing its efforts to promote collaborative management, the BLM hosted a workshop in cooperation with the Center for the Rocky Mountain West in Missoula, Montana, to better understand the issues and strategies associated with successful collaborative planning efforts involving Federal agencies and local communities. This workshop helped define tools to support the performance goal related to multi- jurisdictional planning.

The Bureau also actively participated in the Forest Service companion workshop on Collaborative Stewardship and agreed to co-sponsor four joint training sessions with the Forest Service in FY 1998 for Federal land managers and their partners on the use of collaborative tools. And the BLM agreed to co-sponsor, with American Forests, a national workshop on community-based approaches to ecosystem management in 1998.

Nationwide, most BLM field offices have community-based efforts underway. One example of BLM's accomplishments in multi-jurisdictional planning is the scoping process used for the Grand Staircase-Escalante National Monument management plan. A collaborative planning team staffed with BLM and State of Utah employees held 15 meetings around the country to gather public input. The Bureau also obtained support from Garfield and Kane Counties with the socio-economic assessments needed for the draft RMP in progress.

Another example is BLM's participation in the San Diego County Partnership Agreement and the Mono County Collaborative Planning Memorandum of Understanding. These two successful collaborative planning efforts with local jurisdictions in California demonstrate the importance of taking advantage of opportunities created by others.

A third example is BLM's active participation with the State of California in planning efforts, such as the West Mojave Coordinated Management Program and the California Biodiversity Council, a State-led effort involving



Federal, State, and local agencies working together to develop adaptive approaches to bioregional diversity and a common statewide biodiversity strategy.

In Wyoming, BLM actively participated in State and locally led major partnerships. Wyoming is one of the Western States with the most Coordinated Resource Management (CRM) planning efforts in progress today; about 75 CRM efforts are in various stages of completion. The Bureau also participated in Coordinated Activity Plans, which are integrated planning efforts between multiple Federal and State agencies and other interests in Wyoming.

Montana is also heavily involved in the CRM process, with 35 CRMs at various stages of completion. Seven multi-jurisdictional planning efforts have been completed and 17 new efforts are underway. Four multi-integrated activity plans are scheduled for FY 1998.

In Idaho, the BLM successfully coordinated efforts with the Environmental Protection Agency, U.S. Geological Survey, U.S. Fish and Wildlife Service, and Coeur d'Alene Tribe at Pine Creek as part of the Coeur d'Alene Restoration Project. Outreach to Native Americans on water quality issues has been in the forefront. The BLM and Environmental Protection Agency, along with all of the other partners, succeeded in reconciling differences of opinion and contradictory mandates to address shared concerns such as the Clean Water Act and Superfund issues.

In Colorado, the Bureau joined with the San Miguel Watershed Coalition to produce *The San Miguel Watershed Plan*, a collaborative management framework for the basin that is consistent with existing RMPs for BLM lands in the watershed. Key to this plan has been the active involvement of stakeholders: private citizens who live in the Basin, as well as representatives from local towns, county governments, Federal and State resource management agencies, quasi-governmental entities, and land conservation and environmental groups. The Coalition provides a forum through which citizens of the watershed can address issues such as water, natural resources, recreation and commodities, and community growth and preservation.

Morning mist rises from the sparkling waters of the San Miguel River, an important riparian area for which proper land use planning is essential. *(photo by Rick Athearn (retired), BLM's Colorado State Office)*

Expand Partnerships to Implement On-the-Ground Activities

The BLM has long relied on partnerships to help manage the public lands. Visitors injured on the public lands might be rescued by a county's volunteer search and rescue team and brought to a local hospital. State and Federal agencies share regulatory responsibilities for managing oil and gas fields on the public lands. Girl Scout troops and other local groups undertake wildlife improvement projects and help construct trails and other recreation facilities. Other examples of cooperation include wildland fire management and weed eradication, where local and Federal crews and the general public work side by side.

States, counties, and other agencies work with the BLM to determine where cooperation can save funds and time or can improve the quality of service to the public. Partnerships work two ways, as communities also benefit from the resources that the BLM and its employees provide. Many offices have agreements with local governments to share firefighting, law enforcement, rescue, and other personnel and equipment. The total value often exceeds the sum of the parts.

People who volunteer their time and service to the BLM provide invaluable benefits to the agency, donating more than 1 million hours annually. Volunteers are vital stewards of the public lands and often serve as BLM ambassadors in local communities as well.

BLM, Forest Service, and The Nature Conservancy pull yellow starthistle in Idaho. (photo by Jerry Asher)

BLM's contributions to Challenge Cost Share agreements leverage millions of dollars in direct funding and in-kind contributions of materials and goods to maintain and restore public land resources.

Through BLM Memorandums of Understanding with the Western Governors' Association, the National Association of Counties, and the Western States Land Commissioners, cooperation is increasing among BLM's local managers and State and county representatives.

The BLM's efforts to forge and maintain partnerships occur against the backdrop of two key realities:

- With escalating demands for services and static budgets, it is vital that the Federal, State, Tribal, and local agencies involved in managing natural resources share their resources as effectively as possible. The BLM must do a better job of creating partnerships that share resources across jurisdictional and administrative boundaries.

- The BLM needs to identify and remove barriers to working effectively with others. It can then expand partnerships that improve the health of the land, advance natural resource management, and increase service to customers.

Accomplishments for Fiscal Year 1997

Performance Goal: Create a more effective division of labor with State and local units of government. Building on recent efforts to more effectively share road maintenance and oil and gas inspection responsibilities, continue to work with State and local agencies to identify additional opportunities to cut costs and avoid duplication.

The BLM continued to work with the Western Governors Association and the National Association of Counties throughout FY 1997,

seeking to more effectively share resources and to arrive at a more efficient division of labor.

Numerous successful partnerships with State and local units of government are already benefitting the agencies involved and the American public. Here is a listing of just a few of these efforts:

- The Alaska Department of Transportation, the Federal Highways Administration, local government officials, and the BLM are working together on the White Mountain Gateway, the Steese Highway trail access, and the Dalton and Taylor Highway recreation developments.

- Arizona BLM's Yuma District and Resource Area offices worked with Yuma County to develop a boat launch facility at Mittry Lake, a popular recreation site 12 miles from the city of Yuma.

- Under the auspices of the California Agreement on Biological Diversity, the BLM, City and County of San Diego, San Diego Association of Governments, California Department of Fish and Game, and U.S. Fish and Wildlife Service have established a partnership to protect key habitat areas and wildlife corridors while addressing the land use and economic objectives of the San Diego region.

- Colorado BLM has formed pilot partnerships with Rio Blanco, Moffat, and Jackson Counties to control current infestations of noxious weeds and to protect other lands not currently listed. The BLM also has agreements and works with county agents in Chaffee and Montrose Counties to control the spread of noxious weeds.

- In Jupiter, Florida, the BLM is developing an Assistance Agreement with Palm Beach County to manage a tract recently returned to the BLM from the U.S. Coast Guard. This tract supports 19 Federal- or State-listed species, as well as historic sites. Palm Beach County has estimated that this agreement is saving local taxpayers $6.7 million.

Pompeys Pillar in Montana is an excellent example of successful partnership efforts. *(courtesy BLM's Montana State Office)*

- In Idaho, the BLM and Lemhi County officials and citizens are working together on issues like public land access, off-road vehicle use, management of the Lewis and Clark National Trail, mountain bike trail development, a countywide weed management strategy, and improvement of road maintenance to reduce nonpoint source pollutants.

- In Montana, the BLM, Yellowstone County, and the Pompeys Pillar Interpretative Association are working together to develop a fully accessible concrete walkway from a visitors center to the Yellowstone River, including an overlook at river's edge with interpretative signs.

- In New Mexico, the Bureau has joined with Socorro County, the city of Socorro, and numerous other public and private entities to form the Save Our Bosque Task Force to restore and enhance the riparian areas adjacent to the Rio Grande. After an extensive cleanup effort, a trail system and recreation facilities were developed. In April, the first trail segment, Socorro Nature Area, was dedicated.

- In Nevada, the BLM is working with Humboldt County and the city of Winnemucca to manage the Water Canyon recreation area, a site that is popular with local residents. The BLM will install and maintain camping and picnic areas and most roads and trails, while the County will maintain the main road and provide assistance or funding for designing, constructing, and

maintaining the facilities. Implementation is underway, with both the BLM and Humboldt County providing law enforcement patrols.

- In Oregon, BLM's Burns District is partnering with Harney County and the Oregon Department of Fish and Wildlife (ODFW) to cooperatively manage the Chickahominy Reservoir/Recreation Site. BLM manages the recreation site and provides improvements, while Harney County provides staffing and equipment for roads, parking, and campground developments and improvements. ODFW manages the fishery and most of the shoreline, as well as providing materials for fencing, signing, etc.

- In southeastern Utah, members of the Canyon Country Partnership are working together to coordinate land use planning and management where agency boundaries meet or overlap, and to provide for social and economic needs without undue harm to natural systems. Members include the BLM; Grand, Emery, San Juan, and Wayne Counties; the U.S. Forest Service; National Park Service; Utah Division of Parks and Recreation; Utah Office of Planning and Budget; Utah Division of Oil, Gas, and Mining; Utah Department of Transportation; Utah School and Institutional Trust Lands Administration; Utah Division of Wildlife Resources; and Utah Division of Forestry, Fire, and State Lands.

In southeastern Utah, partners are working together to manage the land. *(photo by Jerry Sintz, BLM's Utah State Office)*

- In Wyoming , the BLM, Park County Parks and Recreation Department, Shoshone Back Country Horsemen, Wyoming Game and Fish Department, U.S. Forest Service, Park County commissioners, and private landowners have joined together to develop trailheads and related recreational facilities in high-use areas of the Yellowstone Ecosystem. Over the past 3 years, three trailheads—Bobcat/Houlihan, 4-Bear, and Hogan/Luce—have been completed.

Performance Goal: Leverage direct funding and in-kind contributions of materials, goods, labor, and services to help manage the public lands and other Federal lands. *By 2000, increase the annual dollar value returned to the Challenge Cost Share program by 25%.*

Through Challenge Cost Share the BLM has successfully leveraged millions of congressionally appropriated dollars with contributions from non-Federal funding partners. Based on congressional guidance, the BLM strives to meet a one-to-one or greater funding ratio on a project-by-project basis. Projects typically involve on-the-ground initiatives like threatened and endangered species inventories, watershed restoration, fish and wildlife habitat improvements, improvements to recreation sites, and education and public outreach.

In FY 1997, the BLM earmarked $5.6 million in funding for Challenge Cost Share Projects, which was matched by over $6 million in contributed funds. The BLM's successes are evident in all BLM states. Arizona and Oregon BLM allocated $1 million each to Challenge Cost Share in base program funds in FY 1997 that was matched by over $2.2 and $2.3 million, respectively, in contributed funds.

The BLM plans to build on past Challenge Cost Share successes in FY 1998. A total of $8.1 million in base funding is earmarked for Challenge Cost Share projects; the BLM anticipates $12 million in matching funds from non-Federal partners.

Other Significant Accomplishments

Environmental Education activities and Volunteer programs proved to be very successful in fiscal year 1997. Some highlights are summarized below.

National Public Lands Day: Five natural resource organizations—the BLM, National Park Service, U.S. Forest Service, Army Corps of Engineers, and National Environmental Education and Training Foundation—hosted National Public Lands Day. This nationwide program encourages all Americans to pitch in to protect the Nation's treasures while providing an opportunity for children, families, young adults, and seniors to participate in volunteer and education activities linked to the public lands. Since 1994, more than 13,000 volunteers from across the country have worked to rehabilitate trails, improve wildlife habitats, restore streambanks, stabilize archaeological sites, construct accessible walkways, remove invasive plants, and accomplish many other vital tasks. In FY 1997, the BLM hosted 18 National Public Lands Day events throughout the country.

"Linking Girls to the Land": This program provides workshops designed to encourage conservation, environmental science, history, and community-service projects by Girl Scout councils and natural resource agencies on a local level. The nationwide program is sponsored by the BLM, National Park Service, U.S. Fish and Wildlife Service, U.S. Forest Service, National Resources Conservation Service, and Girl Scouts USA. "Linking Girls to the Land" was instituted in 1995 to encourage girls to become involved in conservation and natural resource issues and careers. The BLM hosted workshops for Girl Scout leaders in both FY 1996 and 1997.

Environmental Education and Interpretation Awards: For the first time ever in FY 1997, the BLM presented awards to its top interpreters and educators at the National Association for Interpreters' Annual Conference held on October 23, 1996, in Billings, Montana. Candidates were rated on their ability to involve partners, their program's success in enhancing the public's understanding of cultural and natur-

Bluebird boxes being built with volunteer assistance on National Public Lands Day in Virginia. (BLM file photo)

al resources, their program's accessibility and sensitivity to diverse audiences, and their program's success in helping the BLM accomplish its management goals.

Boy Scout Jamboree: The BLM's Environmental Education and Volunteers Group coordinated the Bureau's participation at the 1997 quadrennial National Boy Scout Jamboree at Fort A.P. Hill in Fredericksburg, Virginia. Boy Scouts from all 50 States and 31 different countries gathered from July 28 through August 5 to form the sixth largest city in Virginia at Fort A.P. Hill. BLM's Trails to Adventure exhibit, located on the Jamboree's mile-long Conservation Trail, consisted of a four-part interactive journey through a variety of natural and cultural environments. An estimated 35,000 scouts trekked through the BLM exhibit.

Educational Partnership with the National Science Teachers Association: Since 1991, the BLM has had a cooperative agreement with the National Science Teachers Association (NSTA). Under this agreement, the NSTA and BLM bring their resources and expertise together to provide teaching resource materials to a national audience of educators on ecosystems, history, and archaeology subjects as they relate to science through Science and Children magazine. Science and Children, NSTA's magazine for elementary and secondary school teachers, reaches a national audience of approximately 60,000 teachers. In FY 1997, the Bureau worked with the NSTA to produce an article on the Sonoran Desert ecosystem.

Partners for Resource Education: Partners for Resource Education, a coalition of the BLM, National Park Service, U.S. Fish and Wildlife Service, Natural Resources Conservation Service, U.S. Forest Service, and National Environmental Education and Training Foundation, was established to promote interagency collaboration for environmental education. The Partners coalition has continued efforts to develop quality environmental education materials for educators and resource professionals on key resource topics such as invasive weeds, fire, and ecosystem management. The coalition sponsored an interagency exhibit at the National Science Teachers Association national convention, which was attended by close to 15,000 teachers. The Partners also began work on an on-line scientist program to provide a forum for citizens to interact directly with resource professionals.

Volunteer Program: The Bureau's Volunteer Program continues to be successful, making an enormous contribution to BLM's efforts and successes. Bureauwide, 16,522 participants worked a total of 1,139,074 hours for a cash value to the BLM of $11,750,928 in FY 1996 (the most recent year for which data is available). The programs attracting the most interest were recreation (48%), biological resources and wild horses & burros (both 13%), and cultural and historical resources (8%).

Numerous partners volunteered their time and talents, among them the Audubon Society, Desert Sidetracks, the 4-H Club, Multiple Sclerosis Society, Nevada Cattlemen's Association, Sierra Club, Sons and Daughters of Utah's Pioneers, and Yavapai Trails Association. Several dozen schools and universities also lent a helping hand.

A number of individuals were recognized at the national level for their contributions to BLM's Volunteer Program. The National Award Winners were Marty Felix, the "Wild Horse Lady" of Grand Junction, Colorado, who devoted 300 hours of work to the Wild Horse and Burro program; Theodore "Ted" Krein, who's been a "jack-of-all-trades" in New Mexico's Rio Puerco Resource Area; Kathryn Mear, who put in some 3,600 hours of archaeological work in the Lakeview Resource Area of Oregon; Norman and Tim Spitz, a father-and-son team who have logged 7,000 hours over the last two years patrolling and performing maintenance work in Utah's Kanab Resource Area; Illa Willmore, who devoted 4,000 hours of her time as a campground host in the Missouri Breaks; and the Trail Tenders, who for the past 4 1/2 years have assisted with the daily operations of the BLM National Oregon Trail Interpretive Center in Baker City, Oregon.

Blueprint Goal

IMPROVE BUSINESS PRACTICES

While BLM's primary business is to restore and maintain the health, diversity, and productivity of our Nation's public lands, accomplishing this requires strong internal business and support service functions. This includes providing accurate and timely management information, paying the bills for goods and services, managing office space, maintaining vehicles, and handling financial and budget record keeping. The BLM needs supplies, equipment, and services to fight fires, maintain campgrounds, support office staff, and perform other work. All of these tasks, and many more business functions as well, are critical to BLM's ability to do its job.

The American people want real value for their tax dollars. They want to know what government is costing them, and they want costs reduced wherever possible. The public expects government to provide quality services that are comparable to those they would receive from the private sector. And increasingly, taxpayers want government to recover the costs of doing business when appropriate, especially when costs lead to profit by private interests.

The BLM is a diverse and geographically dispersed agency with a complex mission to manage public lands and their many resources in some 30 States. Its FY 1997 budget included over $1.1 billion in appropriated funds, plus reimbursements and other revenue collected and used to support a number of services. The workforce included more than 10,000 employees at year-end located in over 200 offices. Given these complexities, it is a challenge to consistently and effectively deliver BLM programs and services.

The BLM is meeting these challenges. Employees are improving the way they provide products and services. And management is making investments now so that the agency will work better in the future.

Specific actions the BLM is taking to improve business practices focus on three strategic goals: *(1) Improve business systems, (2) Improve program accountability and performance, and (3) Deliver quality services to customers.*

Above: This "Dragon Wagon" being used in a controlled burn was either purchased or leased through the Bureau's acquisition program. *(BLM file photo)*

Improve Business Systems

The BLM is striving to be as cost-efficient as companies in the private sector and to provide better value for the Nation's tax dollars. By delivering products and services to customers more efficiently, the BLM can then re-direct its resources to help accomplish other mission objectives.

Part of the BLM's approach to improving business systems is to reduce costs related to process operations and agency overhead. For example, the BLM has reduced administrative support staffs and middle management levels.

The BLM has many systems that it relies on to accomplish its work. These may provide manual or automated information storage, retrieval, processing, or output. Managers and staff use these systems in everyday work for analyzing data, making decisions, producing reports, or conducting specific operations (e.g., budget tracking or revenue collection systems).

The BLM relies on both manual and automated systems in accomplishing its work. *(courtesy BLM's Eastern States Office)*

One significant challenge facing the agency is that many BLM program and support systems designed years ago achieve technical and professional objectives, but they do not provide business information. In addition, most BLM automated systems were designed as stand-alone systems, which makes it impossible to easily share data with others and often requires data to be entered more than once. This causes extra work, delays, and increased costs. It also hampers good decision making because it limits the availability of comprehensive information.

Emerging information technology may provide opportunities to solve many of these issues. The BLM must prepare employees and others it works with to use these advances to become more efficient and provide better customer service. Recognizing this, the BLM has an extensive communications network that provides electronic access to virtually every employee. This infrastructure enables employees to communicate easily and deliver services faster. The development of computerized data bases will also increase the quality and consistency of the products the BLM delivers.

Other challenges and opportunities include the following:

- Despite reduced staff and funding, the BLM must continue to improve its business practices by eliminating redundant tasks, improving automated business systems, simplifying and integrating work processes, and implementing cost-saving practices, such as centralizing staff.

- The BLM must seek reasonable cost recovery or reimbursement for its services when the agency engages in activities that directly benefit private or commercial users. For example, by collecting user fees, the BLM can improve recreation sites, provide temporary visitor services staff, and better maintain its facilities.

- Partnerships with other agencies, organizations, and individuals can help leverage the resources needed to meet the Bureau's mission goals.

Accomplishments for Fiscal Year 1997

Performance Goal: Provide managers and staff with useful mission-critical and business information. *By 2002, provide all BLM managers and employees with online access to BLM business and management data. Eliminate redundant automated systems and data entry in procurement, finance, budget, and other business systems.*

The Bureau is developing a Management Information System (MIS) that will:

- assist in meeting Government Performance and Results Act (GPRA) requirements for reports on actual performance compared to goals;
- meet our need for simpler, more flexible systems; and
- meet BLM managers' needs for business information, including budgetary, financial, and program performance data.

The components of the MIS are budget and financial data, a unified billings and collections system, managerial cost accounting data, performance measurement data, customer satisfaction data, and other business data (such as the number of square feet of office and warehouse space leased by the BLM).

In FY 1997, initial prototyping of the financial data system occurred, with full implementation of the financial and budgetary data module plus initial billings and collections, performance data, and property data modules scheduled for late FY 1998. The MIS will provide BLM employees with financial information that is up-to-date and electronically accessible. It is replacing a paper report system whose data is sometimes 30-45 days out of date. Through the new MIS, managers and employees will be able to electronically query (ask for) and retrieve information at their desktops using Web-enabled software tools without needing custom programming skills.

Performance Goal: Recover appropriate costs of providing services. *By 1999, identify major opportunities for recovering costs of appropriate program services, such as authorizing and administering commercial and certain recreational activities on the public lands or mitigating unauthorized uses, hazards, or contamination caused by others. By 1999, implement priority realty and mineral cost-recovery activities.*

In the current budgetary climate, the return of costs and retention of other revenues for BLM's use in meeting demands for increased services is being re-emphasized. The terms "collections" or "revenue enhancement" refer to payments made for using land or other resources. This includes rents, filing fees, donations, fines, reimbursable revenues, copy fees, resource product sales, and any other funding the Bureau receives for product sales or services rendered, or private enterprise efforts in performing tasks that supplant resource management efforts. The term "cost recovery" applies only to payments received under the authority contained within Section 304(b) of the Federal Land Policy and Management Act (FLPMA) and other similar laws for work done in processing applications, issuing and monitoring use authorizations, etc.

Historically, the BLM has collected costs using a number of authorities. The Mineral Leasing Act and FLPMA are two authorities most commonly used and associated with cost recovery. In addition, the BLM is directed by the 1993 OMB Circular No. A-25, and Title V. Independent Offices Appropriations Act of 1952 (IOAA), 31 U.S.C. 9701, to pursue fees for government services that provide benefits to recipients beyond those accruing to the general public, and for the sale or use of government goods or resources. BLM's cost recovery authority was also the subject of a Solicitor's "M" Opinion, M-36987 issued on December 5, 1996.

In 1997, the BLM established a Revenue Enhancement Team to analyze and report information on:

- cost recovery and other revenue enhancement opportunities and processes currently used in BLM,
- recommendations on additional methods that may be utilized within existing authorities, and
- a recommendation for additional legislation needed to further enhance BLM's capability to collect and retain revenue.

The Team's report is currently under review within the Bureau.

Improve Program Accountability and Performance

The Government Performance and Results Act of 1993, along with the Chief Financial Officers Act of 1990 and Government Management Reform Act of 1994, require the BLM to set priorities and long-term goals, to use resources efficiently and effectively to meet strategic goals, to tie budget expenditures and workforce efforts to strategic goals, and to measure and report on progress toward meaningful results.

As part of the effort to set priorities and long-term goals, BLM's Business and Fiscal Resources Directorate developed a Strategic Plan that includes work priorities for FY 1998. This plan serves as a vital link between the overall BLM Strategic Plan and the day-to-day work processes and projects of the Directorate. It helps ensure that Bureau employees "walk the talk."

Challenges and opportunities that confront the BLM include the following:

- To improve performance, the BLM must examine customer needs, determine where satisfaction can be improved, re-engineer its work processes, measure performance, and evaluate program effectiveness.
- When the Bureau increases its efficiency, more funds and staff can be redirected into higher-priority mission objectives. When evaluations identify that money is not being well spent, budget allocations must be adjusted to attain more cost-effective results.

The BLM re-engineers its work processes whenever possible to enhance efficiency. (BLM file photo)

- Automated business systems must be improved to record and track accomplishments and to produce reports that provide a verifiable record.

Accomplishments for Fiscal Year 1997

Acquisition System Redesign

The BLM has redesigned its entire acquisition system. In a typical year, the Bureau completes 120,000 separate transactions and spends roughly $180 million to obtain the supplies, equipment, and services vital to the agency and its employees. Some of the goods and services bought are:

- information technology equipment and support services, including the Automated Land and Mineral Record System (ALMRS);
- hazardous materials management;
- land treatment and improvement projects, including the "Jobs-in-the-Woods" program in the Northwest;
- construction and road maintenance;
- land surveys and appraisals;
- agricultural and construction supplies and equipment;
- uniforms;
- fire presuppression and suppression equipment and services;
- space leasing;
- professional and technical support services; and
- various resource and technical studies.

Our progress in implementing new acquisition processes and tools includes the following accomplishments:

Delegation of Authority - Acquisition authority up to the $100,000 simplified acquisition threshold was delegated to the BLM State Offices on March 6, 1997. This increased authority has empowered BLM field offices to take advantage of simplified acquisition procedures at the higher $100,000 threshold that was authorized by recent acquisition reform legislation.

Survey equipment must be purchased and maintained if the BLM is to meet its responsibilites. *(BLM file photo)*

VISA Purchase Card Use - The VISA Card program allows any BLM employee to purchase goods and services under $2,500 without the cumbersome requisition process or the need to go through the Imprest fund. A 90% transaction goal has been established to maximize the use of the VISA Purchase Card for acquisitions less than $2,500.

The BLM has continually provided leadership in the Department of the Interior's purchase card program. We have approximately 4,300 employees who complete over 100,000 transactions annually with the purchase card at an estimated value of over $30 million. The card has helped to streamline the procurement process at a time when BLM procurement employees are dwindling (from 214 to 156). And vendors, who get paid almost immediately, are encouraged to do business with the BLM.

The BLM developed an innovative self-study purchase card training package that trains cardholders in less than 3 hours. This saves on travel costs and employees' time that would otherwise be required for classroom instruction. Many other Bureaus have used the BLM course to train their own employees.

Check Writing Capabilities - The BLM is pilot testing First Bank convenience checks to enable check writers to use VISA convenience checks for vendors who don't accept credit cards, instead of resorting to costly purchase orders. This program comes in really handy when dealing with mom-and-pop businesses in small Western rural communities; these establishments frequently don't take credit cards and can't afford to wait 60 to 90 days to be paid under a purchase order.

The first phase of the pilot, which is nearly complete, provided check writing to field personnel as an immediate and efficient way to pay emergency incident costs in remote areas to vendors who don't accept credit cards. The second phase is expected to eliminate Imprest cash funds, which are burdensome and costly to administer.

Internet/Electronic Commerce - Electronic Contracting, including the use of the Internet and "electronic commerce," enables the BLM to be more efficient. The Bureau is maximizing electronic purchasing and contracting and use of the Internet for transactions over $2,500. Commerce Business Daily Notices for acquisitions over $25,000 are posted on a Department of Commerce Internet Server, saving acquisition processing time and paper. Solicitations are posted on BLM's Web site.

The BLM is purchasing GSA items from the GSA Advantage Web site using VISA purchase cards. The BLM is also buying from other electronic catalogs.

The Department of the Interior's new Electronic Acquisition System (IDEAS) software is scheduled to be implemented in the BLM in FY 1998 and FY 1999. This new software is expected to increase operational efficiency, provide a seamless link with the Federal Financial System (FFS), and increase our electronic commerce capability for procurements over $2,500. IDEAS will also enable BLM employees to submit their requisitions to procurement people and then check on the status whenever they want to through the Web.

Maximizing Commercial Item Buys - Instead of designing specifications tailored for the BLM,

we are buying commercial items that vendors regularly sell to the public. Our costs should be reduced because the vendor will not incur any additional expenses in meeting special BLM requirements. Delivery of commercial goods and services can now be as fast or faster than it is in the private sector.

The BLM has issued guidance to its field offices on commercial item acquisitions, and acquisition models are being developed by a team for use by the BLM States and Centers in making commercial item buys. These models will be posted on the BLM Web site as they become available (www.blm.gov/natacq). Experiences and success stories will be shared with the Department of the Interior and other government agencies.

Past Performance - Past performance is now being used as a primary source selection factor in competitive acquisitions when a customer needs a contractor who offers the "best value," rather than the lowest price. In the past, the competing vendors' experience was generally a technical evaluation and source selection factor. Now, we are considering how well the vendors performed as a primary source selection factor.

Guidance and best practices for using past performance to select sources and administer contracts have been provided to BLM field offices. This guidance includes a simple two-page electronic form to collect past performance data.

Performance-Based Service Contracts - Performance-Based Service Contracts (PBSCs) enable the BLM to both improve contract quality and save money. Instead of contracting and paying based primarily on processes, methodology, or the number of labor hours, we focus on outputs, outcomes, and results. The OMB estimates that PBSCs could save at least 15% of the contract price, or about $4 million in savings for BLM service contracts (excluding space leasing).

Property Systems Redesign

Over the past two years, BLM's efforts in property systems redesign have involved three components: the personal property system, fleet management system, and real property system. This redesign effort was intensified by a qualification to BLM's 1994 Financial Statements because the property records and the general ledger were irreconcilable. Since that time:

Managing BLM's fleet of vehicles is a major responsibility. *(BLM file photo)*

- The fleet management system has been rehosted to a UNIX environment, and vehicle usage is more accurately tracked for working capital fund purposes.

- The personal property system has been replaced with a better system, the personal property has been inventoried, and the property system and general ledger are kept reconciled through an automated interface that takes advantage of one-time entry of data.

- Real property has been incorporated as a component of the property system and has now been inventoried and reconciled to the general ledger as well.

These efforts have streamlined the data entry process through one-time entry of data at the point of origin, have greatly reduced the time and effort spent on reconciling the subsidiary records to the general ledger, and have resulted in improved information for program managers. Thanks to these efforts, the BLM has received an unqualified ("clean") audit opinion on its FY 1995, 1996, and 1997 Financial Statements.

National Business Center Accomplishments

The mission of the National Business Center (NBC) in Denver is to provide centralized administrative services and professional business management skills for the Bureau. These encompass finance, payments processing, major pro-

Reductions in office/warehouse leasing costs have resulted in savings of close to $3 million. *(BLM file photo)*

curements, property management, space management, and Bureauwide fleet management. The NBC also provides technical advice to field offices in many of these areas.

Accomplishments for fiscal year 1997 include the following:

- Reduced FFS Processing Costs: The NBC, working with the Bureau of Reclamation, has made changes in when and how financial documents are processed. These changes have resulted in less computer time and fewer storage requirements, which, in turn, have allowed the BLM to save over $1.6 million in processing costs over the past two years.

- Space Leasing Reductions: Working with individual offices, the NBC has been able to eliminate the need for 200,400 square feet of office/warehouse space, saving approximately $2.9 million. As more space leases expire, this savings figure will increase.

- Improvement of the Travel Payment Process: Redesign of the travel payment process allows travelers to receive their payments within 2 to 4 days of receipt of the voucher, which is significantly quicker than the previous method provided for. Additionally, travelers are now notified when an electronic deposit will be made to their bank or credit union account.

- Business Information Distribution: The distribution of BLM Business Information (reports, data files, forms, operating procedures, directives, etc.) has been redesigned through the implementation of a Bureauwide Intranet strategy and supporting Web site (http://web.blm.gov/nbc). This initiative has enhanced communications between the NBC and its field customers through various cost-efficient Internet technologies such as chat rooms, news groups, bulletin board systems, and on-line training. This effort has enabled field managers to more effectively meet mission requirements and maximize program investments.

- Utilities Consolidation: The Utilities/ Telephone Consolidation Project eliminates field office work on over 30,000 payments per year and decreases NBC's workload on these types of payments by 90 percent. For example, in FY 1996, the BLM paid U S West $1.36 million in 3,887 payments. When the project is fully implemented, the Bureau will make only 120 payments per year. The project also eliminates prompt payment interest on these payments, erroneous tax payments, and minimum bills. Other benefits include a reduction in energy and telecommunication costs and automation of BLM's annual energy report. Projected annual savings include staff positions at the NBC, 5,000 hours of field office administrative work, and between $200,000 and $500,000.

Deliver Quality Services to Customers

The BLM is responsible for providing cost-efficient, quality customer service. This is in keeping with initiatives such as the National Performance Review, which requires all Federal agencies to take a customer-oriented approach to work processes and results.

One way to improve customer service is by working across jurisdictional lines with other Federal, State, Tribal, and local agencies to develop more efficient ways of serving customers and increasing customer satisfaction. Collocation is one tool for accomplishing this.

Collocation is defined as the sharing of a building by two or more public agencies. And the value of collocation goes beyond saving building and utility costs. Collocation provides one-stop service for customers doing business with several natural resource agencies through sharing of equipment, facilities, and scarce skills. Intangible benefits, including improved customer service, can result from simply being located near each other. By working across jurisdictional lines with other Federal, State, Tribal, and local agencies, we can develop more efficient ways of serving our customers and increasing customer satisfaction.

One example of collocation efforts is the "Trading Post" initiative being undertaken jointly with the U.S. Forest Service in Colorado and Oregon, in which the BLM and Forest Service share common offices and staff responsibilities. These provide "one-stop" service and have greatly improved service to customers at the local district and forest level.

The BLM must determine existing levels of customer satisfaction and constantly seek ways to improve the products and services it provides. Using customer feedback devices such as comment cards, focus groups, and surveys, BLM employees can get direct input on those areas that require attention. Customers can provide helpful suggestions for improving a variety of processes, products, and other areas.

Delivering quality customer services also requires the BLM to ensure that its programs, activities, and facilities are universally accessible to all customers, including those with disabilities.

Accomplishments for Fiscal Year 1997

Performance Goal: Provide one-stop service for customers doing business with multiple natural resource agencies. *By 2002, increase by 20% the number of BLM offices collocated with other natural resource agencies to provide information, permits, and other frequently requested over-the-counter products and services.*

Two Trading Post initiatives are currently underway. The Central Oregon Initiative's Trading Post involves BLM's Prineville District and the U.S. Forest Service's Ochoco and Deschutes National Forests. This Central Oregon Initiative has already served as a benchmark for other offices wishing to collaborate and improve customer service (Federal Benchmarking Consortium Study Report, NPR, April 1997). Among the areas emphasized have been firewood permitting and fire suppression services. Together with the Colorado Trading Post Initiative, the Central Oregon Initiative has piloted customer service and efficiency concepts that are now being expanded to all BLM State organizations. And this initiative continues to develop new approaches to sharing work processes to provide even better service in the future.

The BLM and Forest Service in southern Colorado are charting a new course for public lands management. The BLM manages 3.4 mil-

The BLM and U.S. Forest Service cooperate in a variety of activities and programs. *(BLM file photo)*

lion acres of surface lands and more than 6.6 million acres of Federal and Indian mineral estate, using a permanent workforce of approximately 162. The Forest Service manages 6 million acres of public lands with a permanent workforce of approximately 374. The focus of the Colorado Trading Post is on boundaryless management of lands and a "one-roof, one-manager" concept.

Together, the BLM and Forest Service are forging a relationship that fosters innovation, effective management of public resources, and quality service to customers. In the foreseeable future, these efforts will result in seamless government, an important step in public lands management. Sharing the skills and resources of both the BLM and the Forest Service has already resulted in "one-stop-shopping" public service and coordinated, cohesive natural resource management.

Performance Goal: Improve customer service and increase customer satisfaction. *By 2002, improve BLM's understanding of customer needs by measuring satisfaction levels, particularly for recreation and commercial uses.*

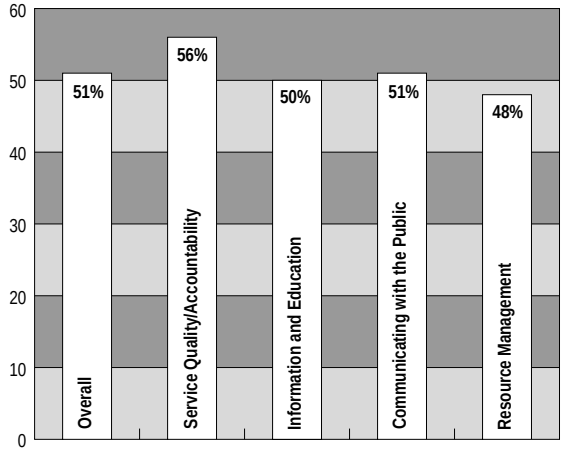
The Bureau is refining its customer research methodology and applications to strengthen its ability to work with its partners and serve its customers. Customer research is being conducted to help us find out what is really important to our customers and partners: to recreation users, livestock operators, local government officials, and others. We also want to be able to identify any barriers our own employees might face in serving customers in the field. This research will help us understand where we are now and what we need to do to improve customer service and measure the results.

Good customer survey data at both the national and local levels is critical to strategic planning, performance measurement, and the evaluation of results called for by GPRA. In fiscal year 1997, we made progress toward establishing baseline data on customer satisfaction and ensuring the consistent gathering and use of customer research information.

The BLM conducted three customer surveys in FY 1997. These are summarized as follows:

State and Local Government Customer Survey

Based on a random nationwide telephone survey of 821 individuals and organizations conducted in August and September 1997, 51 percent of state and local governments are satisfied with the BLM. Just under half of the respondents were from State governments, while 30 percent were from county governments. When asked for suggestions to improve BLM's performance, 26 percent said improve land management, 22 percent recommended better communications with the public, and 23 percent highlighted improving offices and staffing. The average percent satisfied for the arenas identified by the stakeholders and partners in focus groups are:



The survey also examined and prioritized improvement opportunity areas for the BLM. The administration and interpretation of rules, regulations, and guidance has the highest potential for improving customer satisfaction, with leadership and partnership next. Specific actions the Bureau could take to improve customer satisfaction would be (in priority order):

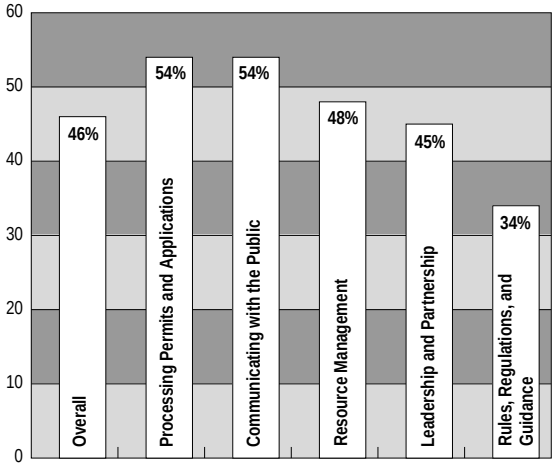
- Striving for better public understanding of the BLM, its employees, and its mission through effective outreach programs.
- Providing explanations of BLM policies.
- Having consistent goals and communication between BLM headquarters and field offices.
- Educating the public on regulations, policies, and guidance.

- Considering the effects of land management decisions on industries, communities, and individuals.

These results mirror the 1995 BLM employee survey. The first four improvement priorities from above were also identified by BLM employees and ranged from mid to high priority, with communication and coordination as the top priority for improvement.

Stakeholder and Partner Customer Survey

Based on a random nationwide telephone survey of 904 individuals and organizations conducted in August and September 1997, 46 percent of the BLM's stakeholders and partners are satisfied with BLM's performance. When asked for suggestions to improve BLM's performance, 42 percent said improve land management and 25 percent recommended improving relationships with the public. The average percent satisfied for the arenas identified by the stakeholders and partners in focus groups are:



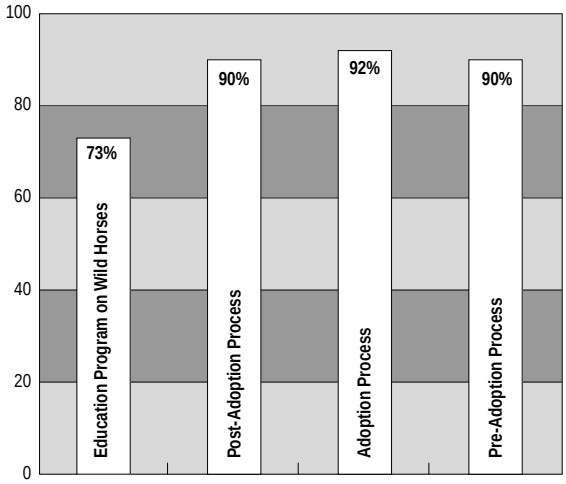
The survey also examined and prioritized improvement opportunity areas for the BLM. The administration and interpretation of rules, regulations, and guidance has the highest potential for improving customer satisfaction, with leadership and partnership next. Specific actions the BLM could take to improve customer satisfaction would be (in priority order):

- Being able to implement programs and decisions (i.e., doing what we say we will).
- Interpreting regulations consistently.
- Having reasonable rules, regulations, and guidance.
- Taking the initiative on issues affecting land management agencies to educate, communicate to, and coordinate with the public.
- Balancing the multiple uses of public lands.

These results mirror the 1995 BLM employee survey results, in which the employees identified management of the regulatory process and communication and coordination as top priorities for improvement. Employees also concurred with stakeholders' top priority for taking action on issues versus just talking about them, and for resolving policy issues effectively and quickly.

Wild Horse and Burro Adopters Customer Survey

Based on a random nationwide telephone survey of 1,201 wild horse and burro adopters conducted in August and September 1997, 89 percent of the BLM's wild horse and burro adopters are satisfied with BLM's performance, while 70 percent are satisfied with the animal they adopted. When asked for suggestions to improve BLM's performance, 26 percent said provide better information and education and 23 percent recommended improving adoption process and rules. Two out of five adopters learn about the adoption program from friends, family, and acquaintances, and most adopters have more than one animal. Over half of the adopters received their notification of titling and, of this group, four-fifths of the adopters applied for a



At BLM's Cross Plains, Tennessee, facility, hardy wild horses culled from western public rangelands await adoption to qualified applicants. *(BLM file photo)*

title. The average percent satisfied for the arenas identified by the adopters in focus groups are:

The adopters gave the BLM an excellent rating for having a friendly and knowledgeable staff, with equally high marks in treating horses and burros humanely and providing information about adoptions.

The survey also examined and prioritized improvement opportunity areas for the BLM. The education program on wild horses has the highest potential for improving customer satisfaction, with post-adoption processes next. Specific actions the Bureau could take to improve customer satisfaction would be (in priority order):

- Providing classes for potential adopters on how to handle their wild horse or burro.

- Providing feedback to people who complain.

- Enforcing rules to ensure that adopters provide proper facilities.

Using Customer Feedback to Improve Service

In response to customer surveys and feedback, the BLM has initiated six reengineering labs since 1994, concentrating on Use Authorizations, Protest and Appeals, Cadastral Survey, Billings and Collections, Acquisition, and Alaska Conveyance. These labs have achieved over $7 million in cost savings and avoidance. The BLM and U.S. Forest Service interagency "one-stop shopping" partnership known as the "Trading Post" initiative has produced over $1 million in cost savings and avoidance, as well as moving resources and personnel to the front lines and meeting customers' needs and expectations.

To improve customer service, the Bureau has established several policies:

- Every office/site/facility is a customer-service center, with comment cards displayed, up-to-date information, convenient access, and a welcoming environment.

- Every employee is a customer service representative—trained, knowledgeable, and service-oriented.

- Relentless appraisal of customer satisfaction is imperative. At all levels, we will engage our customers in a continuous process of (1) asking them what they value, (2) measuring our performance, (3) responding to their feedback, and (4) taking action to improve benefits and services. We will know when we are improving our level of service delivery because we will ask our customers and employees regularly.

- Customer satisfaction will be a primary measure of performance for all units in all Assistant Directorate, State Office, and Field Office areas.

Human Resources Management (HRM) encompasses the functions of traditional personnel management and equal employment opportunity programs. It combines the complementary elements of workforce assessment, recruitment, employment, training, career development, conflict management, and affirmative employment to ensure that the BLM's workforce is prepared to meet its mission requirements.

Blueprint Goal
IMPROVE HUMAN RESOURCES MANAGEMENT

The fundamental viability of the public lands, and the well-being of those who use and work upon them, depends largely upon the professional skills and personal dedication of the men and women who staff the Bureau's nationwide organization. The BLM recognizes its responsibility for maintaining and protecting America's public domain, and it likewise accepts its obligation to develop and prepare those who will become its stewards in the years ahead.

Human Resources Management (HRM) encompasses the functions of traditional personnel management and equal employment opportunity programs. It combines the complementary elements of workforce assessment, recruitment, employment, training, career development, conflict management, and affirmative employment to ensure that the BLM's workforce is prepared to meet its mission requirements. The HRM program exists to support managers in ensuring that BLM's workforce has the right skills in the right place at the right time.

The HRM Program is divided into five organizational entities. Three of these—the Office of the Assistant Director, the Executive Initiatives Group, and the Washington Office Equal Employment Opportunity Group—are located at the BLM headquarters in Washington, D.C. These organizations provide policy, direction, and program coordination for the Bureau's HRM programs, as well as operational services to headquarters.

The National Human Resource Management Center, located in Denver, provides a wide range of operational and support services to BLM's field organization. And the National Training Center, located in Phoenix, develops and presents training tailored to BLM's unique natural resources management programs.

In fiscal year 1997, the BLM functioned in the environment of uncertainty that accompanies transition and change. Fiscal year 1996 had seen significant reductions in the Bureau's experience base through losses of senior personnel due to regular and incentive-based retirements, as well as the overall restructuring of its headquarters staff to a matrix, team-based organization. In FY 1997, the BLM began to deal with the impending restructuring of the field offices from a traditional three-tier to a new two-tier structure. And, increasingly, the prospect of *de facto* reductions in operating funds through static levels of funding challenged BLM managers and employees to maintain productivity in the face of diminishing dollar and personnel resources.

The Nation's public lands are rich in their diversity, encompassing grasslands, forests, mountains, arctic tundra, and the desert. This diversity enriches the experiences of those who use and visit the public lands, and it adds value and purpose to the legacy of our natural heritage.

In many ways, the evolving demographics of the United States provide a parallel to BLM's

Above: BLM employee prepares to monitor water quality in BLM's Glennallen District, Alaska. *(photo by Edward Bovy, BLM's Alaska State Office)*

varied sphere of operations. The changing population, characterized by increasing ethnic and racial diversity and growing calls for inclusion and participation in all walks of life, is creating a societal mosaic as rich and varied as the public lands themselves. It is from this mosaic that the stewards of the BLM's lands are drawn—a multidisciplinary workforce of scientific, engineering, and program support personnel who are competent, efficient, and dedicated to public service.

The BLM strives to ensure that its workforce reflects and responds to the needs of our diversifying population, and that tomorrow's employees will be fully prepared to assume the task of managing the public lands. Because minorities, women, and the handicapped are not well represented in mainstream occupations in the natural and biological sciences and engineering, the BLM is pledged to working steadfastly toward achieving parity between its workforce and the cultural make-up of the Nation's population.

In responding to the needs of its customers, the BLM strives to ensure the capability and dedication of its employees as well as the inclusion and participation of its various publics. The HRM program plays a major role in helping the Bureau to meet these challenges. Through its communities of personnelists and equal employment opportunity practitioners, the HRM program provides continuing advice, information, and operational assistance to individuals at all levels of the agency.

To managers and supervisors, HRM provides active support in defining organizations, planning and evaluating work, and troubleshooting problems involving people. To Bureau employees, it provides day-to-day administrative services centered around the conditions, benefits, and responsibilities of Federal employment.

In 1997, the BLM developed its new Strategic Plan which, when implemented in 1998, will define clear objectives for improving program operations over a five-year period. For its part, HRM has established goals that focus on improving human resource management. They are *to maintain a trained and motivated workforce and to institutionalize diversity and improve workforce composition.* Many of the accomplishments of the HRM Program in FY 1997 already address these goals, a year in advance of the formal implementation of the Strategic Plan. The accomplishments listed below are reported in accordance with these two goals.

The Bureau is striving to ensure that its workforce reflects the diversity of the lands and resources that the agency manages. *(BLM file photo)*

Maintain a Trained and Motivated Workforce

BLM employees are highly qualified and committed to high standards of resource management and customer service. Most actively sought careers in natural resources management and have remained with the agency for many years.

BLM employees' performance is based on two factors: their ability to do their jobs and their motivation to serve their customers. The BLM continually endeavors to find effective ways to keep its workforce well trained and motivated in this era of change in order to successfully meet its programmatic goals.

Accomplishments for Fiscal Year 1997

The BLM's plan for maintaining a trained and motivated workforce is focused on *assisting supervisors, managers, team leaders, and employees in identifying critical occupational skills and in acquiring appropriate training to support the BLM mission.* Specific goals, targeted for 1999, are to identify critical BLM occupations for the future and identify the skills required for those occupations, and to provide a full range of support services through the National Training Center, including training course development, video conferencing, distance learning, and the adaptation of educational products from outside sources.

The Bureau's National Training Center is a state-of-the-art training facility established to provide maximum flexibility in developing and presenting training products to meet BLM's unique technical and administrative requirements. Designed with an eye to the future, it incorporates a fully equipped distance learning capability, including a television studio with satellite downlink/uplink capabilities, a production staff, and classrooms and conference rooms. As an entrepreneurial enterprise, the Center's facilities are also open to other Federal agencies in the Phoenix area.

During FY 1997, the National Training Center accomplished the following:

- Emphasized the concept of taking instruction to the student by providing training both on the Center's campus in Phoenix and at BLM work sites throughout the western United States. The Center also produced

The Bureau is increasingly turning to video and satellite broadcast technology to train its employees. (BLM file photo)

training through various distance-learning venues, such as E-mail progressive disclosure delivery that is received at students' computer terminals, and packaged courses that are mailed to students.

- Expanded the use of satellite broadcast technology; completed 16 live broadcast days of satellite television, including BLM training telecasts, interagency training sessions, all-employee information programs, and special broadcasts. More than 10,000 viewers, both within and outside of the BLM, participated in these projects. Training by satellite transmission became institutionalized within the BLM, with a total of 122 downlink sites activated, making this technology accessible to virtually every Bureau employee. The savings to field offices in terms of potential student time away from the job and travel costs have been enormous—a significant factor for downsizing organizations.

- Maintained a full schedule of training presentations and services, including the presentation of 212 standard classroom courses attended by 4,104 students, the administration of 37 private vendor courses attended by 417 students, and the distribution of self-study courses to 748 BLM employees. As an indication of the expanding use of electronic technology throughout the Bureau, a total of 944 students completed the Electronic Records Management Course for E-Mail.

In addition to these training accomplishments, the Bureau updated its overall HRM strategy to assess the status of the program. This updated strategy, which has redefined the objectives of the HRM program, describes how the various components of the program will function in the cooperative pursuit of the Bureau's goals and objectives.

The Bureau also developed a competency framework for professional employees. This framework was created to ensure that needed professional expertise is vested in BLM's workforce and that information provided by BLM professionals to decision makers meets recognized standards. Initially used in conjunction with Procurement and Fire Management professionals, these competency models will be applied to other professional series in FY 1998.

Land record assistance in State Office Public Room, Anchorage, Alaska. *(photo by Edward Bovy, BLM's Alaska State Office)*

A reference guide for managers and supervisors was developed to address personnel management and equal employment opportunity issues that arise in the workplace. This easily updated loose-leaf manual addresses position management, recruitment, hiring authorities, employee orientation, affirmative employment program operations, conflict management, ethics and standards of behavior, counseling, and discipline.

Institutionalize Diversity and Improve Workforce Composition

As is the case with many Federal employers, minorities and women are under-represented in many of BLM's mainstream occupations, so the Bureau has renewed its commitment to employ a workforce that mirrors the demographic composition of the Nation. In 1997, the BLM redirected its attention to reshaping its corporate culture to one that more clearly emphasizes inclusion and participation by all Americans.

This objective is strategically prudent to maintain BLM's capability to conduct program operations in the future, and it also makes good business sense, given the growing diversity of BLM's constituents and customers. To know the public land users—the Bureau's customers—and to serve them well requires that the BLM understand them, and a most effective way of accomplishing this is to employ people who represent all facets of America's diverse population.

Historically, many BLM jobs have required a background in natural science, a field not traditionally selected by women or minorities in large numbers. In addition, many positions have been located in rural areas, well away from favored urban centers. In the face of these challenges, the BLM has turned to long-term planning, the use of effective recruitment approaches, and the institution of management accountability principles as a means of correcting under-representation in the workforce.

Accomplishments for Fiscal Year 1997

The BLM's plan for institutionalizing diversity and improving workforce composition is based upon the concept of systematically increasing the representation of minorities, women, and persons with disabilities within planned and designated occupational series. Specific goals are established for the year 2000, the primary vehicles being BLM's new Workforce Diversity Program Plan and the cooperative education program, now known as the Student Career Experience Program.

The Bureau's overall Equal Employment Opportunity (EEO) Program is divided into two major functional areas—the EEO Complaints

A work-study student helps out with mapping and photogrammetry. *(photo by Edward Bovy, BLM's Alaska State Office)*

Program, which is intended to ensure non-discrimination in employment, and the Affirmative Employment Program, which seeks to achieve parity in the representation of racial and ethnic groups in BLM's workforce compared to their representation in the civilian labor force.

In support of its goals, the BLM accomplished the following in FY 1997:

- Consolidated and verified a wide range of computer-generated data that describes the composition of the BLM workforce, using the EEO Reports capability of the Federal Personnel and Payroll System. This compilation provides managers, for the first time, with an accurate and current benchmark for measuring future changes in workforce composition.

- Completed a new multi-year Workforce Diversity Program Plan for implementation in 1998. This plan establishes measurable goals for diversifying the predominant occupational series in the BLM and, for the first time, includes considerations for recruitment of people with disabilities in the Bureau's overall workforce planning.

- Emphasized the timely and cost-effective resolution of interpersonal conflict in the workplace. To improve BLM's initial response capability for dealing with disputes, two full-time EEO Counselors, one in the eastern United States and one in the West, were appointed to assist employees throughout the Bureau. Part-time, collateral duty counselors were provided with up-to-date technical training to enable them to be more responsive to employees and more effective in problem-solving.

- Advanced the alternative dispute resolution (ADR) program. Through a satellite transmission broadcast to BLM offices across the Nation, managers, supervisors, and key staff officials were trained in problem-solving methods and the use of mediation. The Bureau also sponsored a 40-hour program of accredited classroom training in alternative dispute resolution and mediation that was successfully completed by 75 EEO and personnel practitioners, supervisors, and managers.

- Expanded thoughtful and productive outreach to minority-serving organizations. A memorandum of understanding was signed with Langston University in Langston, Oklahoma, for establishing a Center of Excellence in managing grasslands. This initiative is expected to foster student interest in one of the BLM's major program areas—range management—and to eventually result in a consistent recruitment source for natural resource management professionals that the Bureau can draw upon.

- Revitalized the cooperative work-study education program, now known as the Student Career Experience Program (SCEP), to more effectively support the BLM's goals for diversification and to improve the program's potential as a source of experienced, entry-level professional employees. A national recruitment team was established and a search initiated for a diverse field of program participants. In addition to establishing the foundation for a comprehensive training program for SCEP students, the Bureau developed a mentoring program so that BLM employees can assist students in adjusting to the world of work and support them in successfully completing the program.

The BLM's MANAGEMENT CONTROL PROGRAM

Accomplishments for Fiscal Year 1997

During fiscal year 1997, the BLM corrected the Trans-Alaska Pipeline System material weakness. The Bureau was also successful in completing scheduled FY 1997 corrective actions on the remaining two material weaknesses: inadequate range monitoring, and oil and gas production accountability.

Through BLM's Management Control Review Program, three new material weaknesses were identified: the administration and oversight of the BLM Nevada land exchange appraisal process, needed upgrades for the Wild Horse and Burro Adoption Program Data Base, and administration and oversight of the Wild Horse and Burro Herd Management Program.

The results of management control reviews conducted during FY 1997 indicate that BLM's systems of management, administrative, and financial controls provide reasonable assurance that the objectives of the Federal Managers' Financial Integrity Act have been achieved.

Redesigning the Evaluation Process

A new approach to conducting evaluations has been developed by the Bureau. It is based on the concept that *preventing* problems is better than detecting them after the fact. Two interlocking components are involved: local self-assessment and national validation. An Implementation Team made up of both field office and headquarters members has embarked on the Phase 2 goal of building efficiency, effectiveness, and accountability into all of the Bureau's processes.

The components of our strategy to implement the redesigned evaluation process focus on the following areas:

- Promoting excellence in managing our public lands.
- Providing ongoing dialogue on the expectations, requirements, and successes of the new evaluation system.
- Providing practical ways to monitor, improve, and measure progress for both short-term and long-term results through guidelines and handbooks.
- Providing an opportunity to identify strengths and areas for improvement based upon information obtained through testing the redesigned evaluation system.
- Building BLM and employee capabilities through training and education of the workforce at all levels of the organization.

Above: Cowboy on the range near Vernal, Utah. *(photo by Kelly Rigby, BLM's Utah State Office)*

- Recognizing groups and individuals for breakthrough improvements.

- Improving performance and outcomes based upon a customer-focused and results-oriented work environment.

- Validating results through periodic on-site visits.

The BLM successfully piloted some of the components of its redesigned evaluation process through an evaluation conducted in February 1997 that focused on the Alyeska Pipeline Service Company's Employee Concerns Program and Joint Pipeline Office oversight. This evaluation resulted in a restructuring of Alyeska's Employee Concerns Program and acceptance of the report by Alyeska's management, employees, customers, and stakeholders.

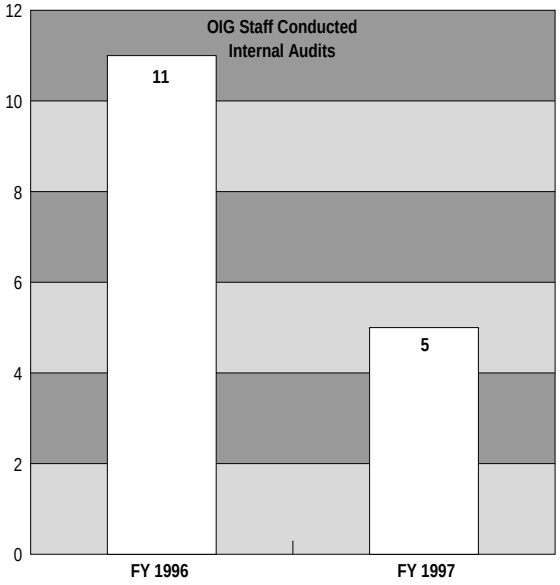
Audits

The Government Auditing Standards, issued by the Comptroller General of the United States, require government officials and employees to be accountable for managing public programs. This requirement for accountability has increased the demand for more information about government programs and services.

During fiscal year 1997, BLM's Acting Director, Deputy Director, and Assistant Directors met with the Inspector General and her staff to discuss ways to improve communications between the two agencies; work collaboratively to prevent waste, fraud, abuse, and mismanagement; and promote economy, efficiency, and effectiveness in BLM operations.

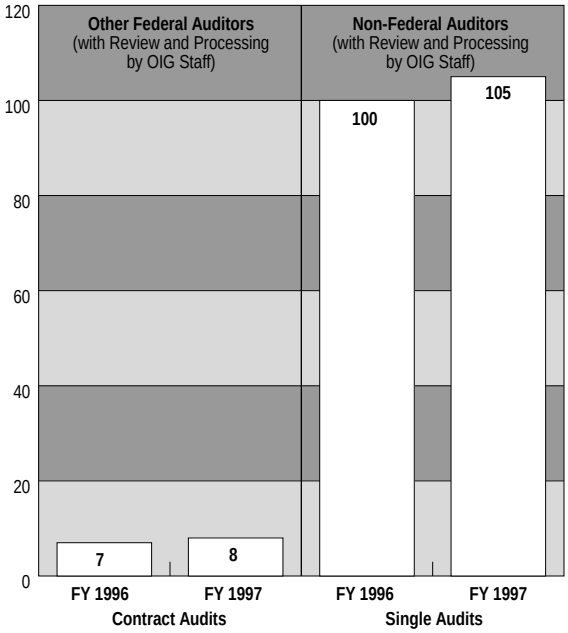
Internal Audits (Table 1) are audits of BLM program, operational, performance, or management activities at headquarters or field offices. Such audits may be conducted by Office of Inspector General (OIG) headquarters or regional staffs.

Table 1 - Internal Audits



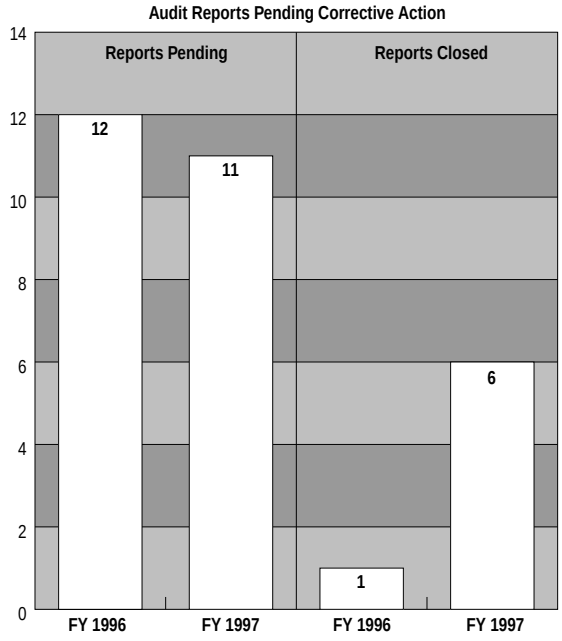
Contract and Single Audits (Table 2) are audits of records and performance of organizations outside the BLM but receiving dollars from the Bureau, such as contractors, grantees, subcontractors, and consultants under contracts, grants, and cooperative agreements. These audits may be conducted by the OIG State audit groups or by other agencies under the cognizance of the OIG.

Table 2 - Contract and Single Audits



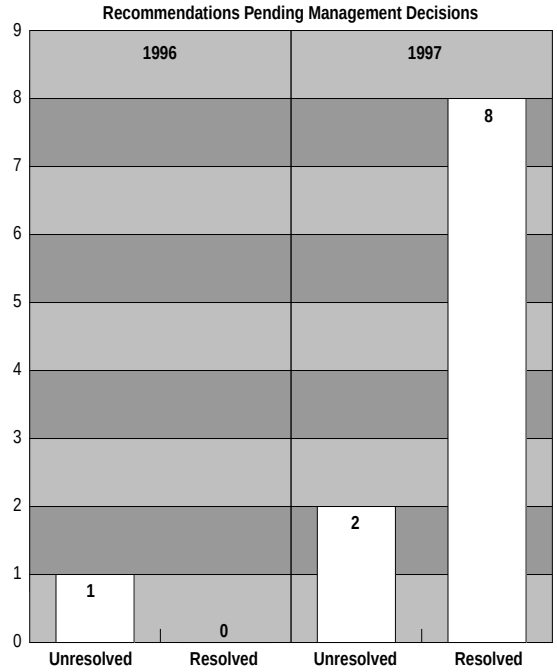
Audits requiring significant corrective action (Table 3) were all in the internal audits category. For reports still pending, corrective actions are currently underway.

Table 3 - Reports Pending and Closed



Most OIG audits conducted during fiscal years 1996 and 1997 contain recommendations. The status of unresolved and resolved recommendations pending management decisions is shown in Table 4.

Table 4 - Status of Recommendations



Overview of THE FINANCIAL STATEMENTS

This section of the Annual Report presents BLM's financial statements. We believe these statements are a fair and accurate presentation of our financial position and results of operations. This is reflected in the unqualified audit opinion rendered on these financial statements by the independent auditors. Sound financial management is a top priority for the Bureau at all levels of the organization.

Limitations of the Financial Statements

The financial statements in this section have been prepared to represent the financial position, net cost of operations, and changes in net position of the BLM pursuant to the requirements of the Chief Financial Officers Act of 1990. While the statements have been prepared from BLM's books and records in accordance with the guidance provided by the Office of Management and Budget, the statements differ from financial reports used to monitor and control budgetary resources that are prepared from the same books and records.

The statements should be read with the realization that they are for a component of a sovereign entity, that liabilities not covered by budgetary resources cannot be liquidated without enactment of an appropriation, and that payment of all liabilities other than for contracts can be abrogated by the sovereign entity.

Funding of the BLM

The Bureau is funded by (1) Congressional appropriations; (2) reimbursements for work performed by the BLM on behalf of other Federal agencies or for the public, including State and local governments; (3) collections of public land revenues that are available to fund BLM operations; and (4) donations made to the Bureau.

BLM's funding increased by 4 percent, approximately $50 million, in fiscal year 1997. Major components of the year-to-year change included a one-time appropriation of $47 million paid in exchange for land selection rights of the Haida Alaska Native Corporation, a $37 million reduction in funding for the Oregon and California Grant Lands activities, and a $24 million increase in the Wildland Fire Management appropriation. The Bureau's principal appropriation—Management of Land and Resources—increased only $9 million, or approximately 1.5 percent, from its fiscal year 1996 funding level.

Above: Students looking at Fremont Rock Art in Nine-mile Canyon, Utah. *(photo by Kelly Rigby, BLM's Utah State Office)*

Contingent Liabilities

Claims on government resources that are likely to arise in the future are considered contingent liabilities. The BLM is a party to a number of lawsuits where the plaintiff is seeking monetary damages. Five claims that are currently pending involve probable payouts totaling $7,900,000, and this amount has been accrued as a contingent liability.

In addition, actions required by statute to remediate hazardous waste on the public lands may represent a substantial claim on BLM's future resources. The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 requires Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of, and requires responsible parties, including Federal agencies, to clean up releases of hazardous substances. As the principal administrator of the public lands, the BLM is responsible for the proper management and tracking of hazardous wastes resulting from operations on the public lands and is potentially responsible for cleaning up hazardous material sites and disposal facilities on the public lands. Virtually all of the hazardous substance releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mining operations, pipelines, and agricultural uses.

In its previous annual reports, the BLM acknowledged that the costs of cleanup and payment of judgements or settlements of claims could be substantial over the long term. The BLM has recorded $6,625,000 in its financial records and in its financial statements as the future funding required for costs that the BLM is likely to pay. At this time it is not possible to estimate the comprehensive costs of public lands cleanup liability or to determine the portion of such costs that will represent a claim on BLM's resources. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties.

Of the total of $14,525,000 reported in this year's financial statements, it is likely that the bulk of these judgements or settlements would not represent a claim against BLM's funding; instead they would be paid from the Justice Department's judgement fund.

Deferred Maintenance

The BLM purchases or constructs infrastructure assets such as buildings, roads, water and sewer systems, recreational facilities, and transportation systems consisting of roads and trails. These assets permit the enjoyment and use of the public lands for recreation, revenue generation, and other purposes. There is, however, a significant maintenance backlog relative to these infrastructure assets.

Since the bulk of public land improvements are not held for sale or for the generation of revenue, any impairment in the value of individual assets is not considered significant by management in measuring BLM's financial results. Public land improvements are held principally for the use and enjoyment of the public and the Bureau. BLM management believes that increased maintenance would benefit public land improvements, but the system of assets, taken as a whole, is maintained in a state of repair that permits the public lands to be used and managed.

PRINCIPAL FINANCIAL STATEMENTS

BUREAU OF LAND MANAGEMENT
CONSOLIDATED COMPARATIVE STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 1997 AND 1996
(dollars in thousands)

	1997	1996
Assets:		
Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	$ 469,577	$ 444,688
Accounts Receivable (Note 3)	9,385	9,061
Governmental Assets:		
Accounts Receivable, Net (Note 3)	2,628	1,697
Travel Advances	264	104
Cash in Imprest Funds	531	563
Operating Materials and Supplies	1,521	1,667
Inventory, Net (Note 4)	4,250	7,211
Gas and Storage Rights, Net (Note 4)	1,078	1,079
Stockpile Materials (Note 4)	365,065	366,235
Property and Equipment, Net (Note 5)	227,179	278,923
Total Entity Assets	1,081,478	1,111,228
Non-Entity Assets:		
Intragovernmental Assets:		
Fund Balances with Treasury (Note 2)	168,159	166,502
Governmental Assets:		
Accounts Receivable, Net (Note 3)	2,030	514
Unmatured Timber Sales Contracts (Note 6)	93,579	99,670
Total Non-Entity Assets	263,768	266,686
Total Assets (Note 7)	$ 1,345,246	$ 1,377,914

The accompanying notes are an integral part of these statements.

	1997	1996
Liabilities and Net Position:		
Liabilities:		
Liabilities Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Accounts Payable	$ 2,962	$ 6,665
Debt to Treasury (Note 8)	1,357,204	1,365,204
Governmental Liabilities:		
Accounts Payable	15,415	19,350
Accrued Payroll and Benefits (Note 9)	25,165	21,365
Undistributed Collections (Note 10)	141,287	145,391
Deposit Funds (Note 11)	27,562	18,771
Deferred Credits (Note 12)	95,452	101,352
Total Liabilities Covered by Budgetary Resources	1,665,047	1,678,098
Liabilities Not Covered by Budgetary Resources:		
Intragovernmental Liabilities:		
Workers and Unemployment Compensation Payable (Note 13)	7,696	8,134
Governmental Liabilities:		
Accrued Annual Leave (Note 14)	40,703	39,461
Accrued Contingent Liabilities (Note 15)	14,525	
Total Liabilities Not Covered by Budgetary Resources	62,924	47,595
Contingent Liabilities (Note 15)		
Total Liabilities	1,727,971	1,725,693
Net Position:		
Unexpended Appropriations (Note 16)	374,267	346,903
Cumulative Results of Operations	(756,992)	(694,682)
Net Position	(382,725)	(347,779)
Total Liabilities and Net Position	$ 1,345,246	$ 1,377,914

BUREAU OF LAND MANAGEMENT
CONSOLIDATED COMPARATIVE STATEMENTS OF NET COST OF OPERATIONS
AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1997 AND 1996
(dollars in thousands)

	1997	1996
STATEMENTS OF NET COST OF OPERATIONS		
Costs:		
Operating Expenses (Note 17)	$ 1,210,573	$1,033,276
Cost of Goods Sold	16,562	16,184
Depreciation and Amortization	24,036	19,782
Interest Expense	113	108
Unfunded Expenses (Note 18)	15,329	2,211
Total Costs	1,266,613	1,071,561
Revenues:		
Sales of Goods and Services—Public	199,516	197,939
Sales of Goods and Services—Intragovernmental	43,599	42,422
Gain on Disposition of Assets	746	672
Total Revenues	243,861	241,033
Net Cost of Operations	1,022,752	830,528
Deferred Maintenance (Note 19)		
Net Cost of Operations	$ 1,022,752	$ 830,528
STATEMENTS OF CHANGES IN NET POSITION		
Net Cost of Operations	$(1,022,752)	$ (830,528)
Financing Sources:		
Appropriations Used	1,129,176	1,036,446
Intragovernmental Transfers—Net	1,183	(54,924)
Imputed Financing (Note 20)	47,060	
Donations		(53)
Total Financing Sources	1,177,419	981,469
Transfers to Treasury or Other Agencies	162,193	161,404
Net Results of Operations	(7,526)	(10,463)
Prior Period Adjustment (Note 21)	(54,784)	
Net Change in Cumulative Results of Operations	(62,310)	(10,463)
Increase in Unexpended Appropriations	27,364	85,739
Net Change in Net Position	(34,946)	75,276
Net Position, Beginning Balance	(347,779)	(423,055)
Net Position, Ending Balance	$ (382,725)	$ (347,779)

The accompanying notes are an integral part of these statements.

Notes to
PRINCIPAL FINANCIAL STATEMENTS
(dollars in thousands)

Note 1 - Summary of Significant Accounting Policies

A. Basis of Presentation

These financial statements have been prepared to report the financial position and results of operations of the Bureau of Land Management (BLM), as required by the Chief Financial Officers Act of 1990. The consolidating financial statements present financial information by fund group. They have been prepared from BLM's financial records in accordance with the form and content of agency financial statements as specified by the Office of Management and Budget (OMB). The statements have been prepared in accordance with OMB Bulletins No. 94-01 and 97-01, and the BLM accounting policies that are summarized in this note. These statements are different from the financial reports submitted to OMB for purposes of monitoring and controlling the obligation and expenditure of budgetary resources.

B. Reporting Entity

The BLM, a bureau of the Department of the Interior (DOI), was established on July 16, 1946, through the consolidation of the General Land Office and the Grazing Service in accordance with the provisions of Sections 402 and 403 of the President's Reorganization Plan No. 3 of 1946 (60 Stat. 1097). The BLM's functions are set forth in Section 301 of the Federal Land Policy and Management Act of 1976 (43 USC 1731).

On March 12, 1996, Secretary Babbitt signed Order Number 3198, transferring the Department's Helium Operations from the U.S. Bureau of Mines to the BLM. This was done under the authority of Section 2 of Reorganization Plan No. 3 of 1950 (64 Stat. 1262), as amended. The helium production fund was established by the Helium Act (50 U.S.C. 10), enacted March 3, 1925, and amended by the Helium Act Amendments of 1960 (P.L. 86-777).

The accompanying consolidated financial statements include all appropriated funds, as well as all other funds for which the BLM maintains financial records. Financial records are maintained by fund types as described below:

1. General Funds: These funds consist of expenditure accounts used to record financial transactions arising from Congressional appropriations as well as receipt accounts. The principal general fund expenditure accounts maintained are:

a. Management of Lands and Resources
b. Wildland Fire Management
c. Payments in Lieu of Taxes
d. Oregon and California Grant Lands

2. Special Funds: The BLM maintains both special fund receipt accounts and special fund expenditure accounts. Collections made into special fund expenditure accounts are available receipts and are considered BLM revenue. These collections are included in amounts transferred to Treasury and are recorded as appropriations. Collections made into special fund receipt accounts are earmarked by law for a specific purpose but are not generated from a continuing cycle of operations. Receipts are deposited as collected. Funds deposited into special fund receipt accounts typically arise from sales of public lands and materials, sales of timber, fees and commissions, mineral leases, and other charges for services provided by the BLM to users of the public lands. Amounts deposited into special fund receipt accounts are subject to various distribution formulas as specified by law.

3. Revolving Funds: This type of fund is used to finance and manage a continuous cycle of business-type operations. The BLM maintains a Working Capital Fund (WCF) as a single administrative unit established to finance and account for services and commodities furnished to various program activities. The WCF was established in 1978 under Section 306 of the Federal Land Policy and Management Act of 1976 (Public Law 94-579) with an initial investment of $2,000 in appropriated funds. Since that time, additional equity has been provided through intragovernmental transfers or donations of inventories, capital equipment, and other assets. Transfers or donations are made without reimbursement to the donating activity. All additional income to the WCF has been generated through charges to BLM's programs or other government agencies. The services provided by the WCF include motor vehicles, stores, a sign shop, a Departmental forms center, and the collection and disbursement of receipts from surface management of the Naval Oil Shale Reserve under an October 2, 1987, memorandum of understanding with the Department of Energy. In addition, the WCF provides funding for travel advances and petty cash funds held by imprest fund cashiers.

In addition to the WCF, Helium Operations is funded through a public enterprise revolving fund. This fund was established with monies from the U.S. Treasury to manage the Federal helium program, which includes helium production, storage, conservation, and sales activities. Funding for current management of this program is provided by sales of helium.

4. Trust Funds: The BLM maintains two trust accounts to carry out specific programs under trust agreements and statutes. The Land and Resource Management Trust Fund contains monies contributed by non-Federal organizations for resource development, protection, and management; conveyance of lands omitted in original surveys; and public surveys requested by individuals. The Alaska Townsite Trustee Fund receives money from the sale of town lots to non-natives and is available to cover the expenses involved in selling and maintaining townsites.

5. Deposit Funds: These funds are maintained to account for receipts awaiting proper classification or receipts held in escrow until ownership is established, at which time proper distribution can be made. Refer to Note 11.

C. Basis of Accounting

The BLM maintains its accounting records on both an accrual accounting basis and a budgetary accounting basis. Under the accrual method, revenues are recognized when earned and expenses are recognized when incurred, without regard to the receipt or payment of cash. Budgetary accounting facilitates compliance with legal constraints and controls over the use of Federal funds. Significant interfund balances and transactions have been eliminated.

D. Financing Sources and Revenues

The BLM receives most of the funding needed to support its programs through annual, multi-year, and no-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Additional amounts are obtained through reimbursements for services performed for other Federal agencies, State and local governments, and the private sector. Finally, the BLM receives imputed financing from the Office of Personnel Management (OPM) for current and future pension and retirement benefits paid by OPM on behalf of the BLM.

Revenues, such as those from reimbursable agreements, are recognized when earned. These revenues may be used to offset the cost of producing products or furnishing services, and to recover the costs of overhead.

Receipts are either available to the BLM for expenditure or are received by the BLM on behalf of others and are passed on to the U.S. Department of the Treasury (Treasury) or distributed to other governmental agencies. Gross receipts are reported as cash is received, while amounts billed but not yet received are included in both accounts receivable and undistributed

receipts. Bad debt expenses relating to those receivables are not considered to be a BLM expense; they are charged against undistributed receipts. Transfers of receipts to Treasury and others are reported on the accrual basis. That portion of the transfers that will not be disbursed until the subsequent fiscal year is also included in undistributed receipts. Thus, the net position of the BLM is not affected by these activities relating to collections, whether they be billings, bad debt expenses, or timing differences between the receipt of such collections and their subsequent disbursement.

Helium fund sales are authorized by Chapter 10 of Title 50 of the United States Code, enacted March 3, 1925, as amended by Public Law 86-777, dated September 13, 1960, entitled "Helium Act Amendments of 1960". Paragraph 167a(4) authorizes the Secretary to, "dispose of, by lease or sale, property, including wells, lands, or interest therein, not valuable for helium production, and oil, gas, and byproducts of helium operations not needed for Government use, except that property determined by the Secretary to be 'excess' within the meaning of section 3(e) of the Federal Property and Administrative Services act of June 30, 1949, as amended (40 U.S.C. 471 et. seq.); and to issue leases to the surface of lands or structures thereon for grazing or other purposes when the same may be done without interfering with the production of helium..."

Funds received under this chapter, including funds from the sale of helium or other products resulting from helium operations and from the sale of excess property, are credited to the helium production fund. This fund is available without fiscal year limitation to carry out the provisions of the "Helium Act," including any research relating to helium. Amounts accumulating in the fund in excess of amounts the Secretary deems necessary to carry out the Helium Act and contracts negotiated thereunder are paid to Treasury and credited against any amounts borrowed from Treasury.

The helium fund is authorized to retain all receipts, which include, but are not limited to, fees, penalties, interest, and administrative charges on past due receivables and proceeds from the sale of its assets. Fees, penalties, interest, and administrative charges are credited to a revenue account and are recorded as a financing source. Gains and losses are computed when assets are sold and recorded as a financing source or use of finances respectively.

E. Fund Balances with Treasury

The BLM does not maintain cash in commercial bank accounts. Cash receipts and disbursements are processed by Treasury. Fund balances with Treasury include appropriated, revolving, and trust funds that are available to pay current liabilities and finance authorized purchase commitments. Also included are various other receipt and expenditure funds. Cash balances held outside Treasury are not material. Further details on fund balances with Treasury are contained in Note 2.

F. Accounts Receivable

Accounts receivable consist of amounts owed to the BLM by other Federal agencies or by the public. Amounts earned through the provision of services to the public are not recognized as receivables until billed. Receivables from other federal agencies and certain state government agencies are recognized when the revenue is earned. The BLM recognizes bad debts arising from uncollectible accounts receivable by establishing an allowance for doubtful accounts based upon past experience in collecting accounts receivable and analysis of outstanding balances. See Note 3 for additional information concerning accounts receivable.

G. Inventory and Operating Materials and Supplies

Except for Helium Operations, BLM's inventory and operating materials and supplies consist of materials and supplies that will be consumed in future operations. Inventory is held by the WCF for use in BLM's resource management programs and is also maintained for sign construction, employee uniforms, and the DOI forms function. The use of inventory accounts is declining in BLM, and that inventory still on

hand is stated at cost using the average cost method. Beginning in FY 1995, operating materials and supplies were accounted for based on the purchases method. Under this method, operating materials and supplies are expensed when purchased. The purchases method of accounting is in accordance with Statement of Federal Financial Accounting Standards Number 3, published October 27, 1993, by the Office of Management and Budget.

The helium inventory held for sale is the actual above-ground refined helium at the end of the fiscal year, plus an estimate of the amount of stockpile helium to be sold in the following fiscal year. The helium stockpile inventory is stored in a partially depleted natural gas reservoir. The cost to purchase the stockpile helium was $12.058 per mcf. The volume of helium is accounted for on a perpetual inventory basis. Each year, the amount of helium is verified by collecting reservoir data and using generally accepted petroleum engineering principles to calculate the volume. The calculated volumes support the volume carried in the inventory. At a reservoir abandonment pressure of 25 psia, 95 percent of the stockpile is deemed recoverable. The amount of helium that is eventually recovered will depend on the future price of helium and the ability to control the mixing of native gas and stockpile helium. Gas and storage rights for the storage of helium are recorded at cost. A depletion allowance is computed annually to record the gas consumed in the processing of helium for sale.

Helium Operations' consumable inventory consists of tools, supplies, small machinery, etc., consumed in the production and extraction of helium. The items in inventory are physically verified and adjusted annually. The moving average method is used to value all helium inventories.

Except for Helium Operations, BLM's inventory is not held for sale, nor is any of the inventory or operating materials and supplies balance held in reserve for future use or sale. There is no excess, obsolete, or unserviceable inventory or operating materials and supplies, nor is there any inventory held for repair. The BLM does not hold any other related property, including forfeited property, foreclosed property, seized property, commodities, or stockpile materials. Note 4 provides more information on BLM's inventory.

H. Property and Equipment

This category consists of acquired lands; structures, facilities and improvements; automated data processing (ADP) software; equipment and vehicles; construction in progress and property being held pending disposition. Prior to FY 1995, roads, trails, and bridges were also included in this category.

Statement of Federal Financial Accounting Standards (SFFAS) No. 6, Accounting for Property, Plant, and Equipment, and SFFAS No. 8, Supplementary Stewardship Reporting, have been issued by the Federal Accounting Standards Advisory Board. The standards recommend different accounting treatments for different types of property, plant, and equipment (PP&E), and provide for a distinction between general PP&E and stewardship PP&E. The former are PP&E used to provide general government services or goods. The latter include stewardship land—all land held by the Federal government that is not acquired for or in connection with an item of general PP&E—and heritage assets, including PP&E that have historical or natural significance.

The standards recommend that Federal entities establish appropriate capitalization thresholds. The BLM has established a capitalization threshold of $250 per facility/site for real property components of general PP&E. Prior to FY 1995, the BLM had no minimum capitalization threshold for real property. The capitalization threshold for personal property remains unchanged.

The standards provide for capitalized property to continue to be reported on the Statement of Financial Position. PP&E that are not capitalized—because they are under the capitalization threshold, or because they are stewardship PP&E—are to be expensed in the period of

acquisition. The standards require a separate stewardship report to provide relevant information regarding stewardship PP&E. The BLM started providing the stewardship report in the FY 1996 Annual Report and have expanded the stewardship report this year, even though the standards do not require a complete stewardship report until FY 1998.

Capitalized property and equipment are recorded as follows:

1. General PP&E real property is capitalized at cost, if the aggregate cost of the site/facility is $250 or more. Acquired land associated with capitalized assets is recorded separately from the structures, facilities, and improvements. Structures such as buildings that are used by the BLM but administered by the General Services Administration or other Federal agencies are not recognized as BLM assets.

2. Purchased ADP software is capitalized at cost if the acquisition cost is $5 or more and the estimated useful life is 2 years or more. Internally developed software is not capitalized.

3. Equipment and vehicles are capitalized at cost if the acquisition cost is $5 or more and the estimated useful life is 2 years or more.

4. Costs are accumulated in a construction in progress account for capitalizable general PP&E under construction or being acquired in incremental stages until the property is completed or totally acquired. At that time, the property is transferred to the appropriate asset account(s).

Depreciation for WCF vehicles and heavy equipment is recorded using the straight-line method, based upon useful lives ranging from 2 to 20 years with a 20 percent residual value.

Depreciation for non-WCF equipment and purchased ADP software is based on useful lives of up to 30 years, with a residual value of 10 percent. Except in the helium fund, prior to FY 1997, the BLM did not depreciate structures, facilities, and other improvements. Beginning in FY 1997, however, the BLM has initiated depreciation for all capitalized real property, and has recorded the current year depreciation as well as the depreciation applicable to prior periods. The basis for capitalization of donated property and equipment is the estimated fair market value.

Information on property and equipment values is found in Note 5.

I. Liabilities

Liabilities represent the amount of monies or other resources that are likely to be paid by the BLM as the result of transactions or events that have already occurred. However, no liability can be paid by the BLM absent an appropriation. Liabilities for which an appropriation has not been enacted are, therefore, classified as liabilities not covered by budgetary resources, with no certainty that the appropriations will be enacted. In addition, BLM liabilities arising from sources other than contracts can be abrogated by the Government, acting in its sovereign capacity.

Debt to Treasury is a liability of the Helium Fund. Borrowings occurred at various dates. Amounts borrowed became due 25 years from the date the funds were borrowed and are now past due.

Net worth debt is the amount due for the net capital and retained earnings of the Helium Fund established under 50 U.S.C. 10, Section 164, enacted March 3, 1925 (prior to amendment by the Helium Act Amendments of 1960), as determined by the Secretary as of September 13, 1960, plus any monies expended thereafter by the Department of the Interior from funds provided in the Supplemental Appropriation Act, 1959, for construction of a helium plant at Keyes, Oklahoma.

Borrowing from Treasury refers to funds borrowed under 50 U.S.C. 10, Section 167j, which authorizes borrowings to acquire and construct helium plants and facilities and for other related purposes including the purchase of helium.

Interest on borrowing is compound interest on the debt described above that has not been repaid to Treasury. While the debt was current, interest was calculated annually at rates determined by the Secretary of the Treasury, taking into consideration the current average market yields of outstanding marketable obligations of the United States having maturities comparable to the investments authorized. The interest rate on the net capital and retained earnings was determined as of September 13, 1960, and the interest rate on additional borrowing was determined as of the time of each borrowing. The U.S. Treasury short-term borrowing rate was used to calculate the annual interest expense while the debt was past due. With the passage of the Helium Privatization Act of 1996, Public Law 104-273, enacted October 9, 1996, no further interest expense occurs. The Act defines the amount repayable to the United States as all funds required to be repaid as of October 1, 1995, with no further interest accruing on the debt.

Additional information on debt to Treasury appears in Note 8.

J. Accrued Leave

Amounts associated with the payment of annual leave are accrued while leave is being earned by employees, and this accrual is reduced as leave is taken. Each year the balance in the accrued annual leave account is adjusted to reflect current pay rates. To the extent current or prior year appropriations are not available to finance annual leave, future financing sources will be used.

Sick leave and other types of leave are expensed as taken because they are nonvesting in nature.

K. Contingent Liabilities

The BLM is a party to various administrative proceedings, legal actions, environmental suits, and claims brought by or against it. Contingent liabilities are recorded in the accounting records when the event potentially leading to the recognition of a liability is probable, and a reliable estimate of the scope of the potential liability is available. Further information on contingent liabilities is found in Note 15.

L. Retirement Plan

Nearly half of the BLM's employees participate in the Civil Service Retirement System (CSRS), to which the BLM makes matching contributions. The BLM does not report CSRS assets, accumulated plan benefits, or unfunded liabilities, if any, applicable to its employees. Reporting such amounts is the responsibility of the Office of Personnel Management (OPM).

On January 1, 1987, the Federal Employees Retirement System (FERS) became effective pursuant to Public Law 99-335. Most employees hired after December 31, 1983, are automatically covered by FERS and Social Security. Employees hired prior to January 1, 1984, were authorized to elect to join FERS and Social Security or to remain in CSRS. FERS offers a savings plan to which the BLM automatically contributes 1 percent of pay and matches any employee contribution up to an additional 4 percent of pay. For employees in FERS, the BLM contributes the employer's matching share for Social Security; the BLM contributes the employer's matching share of Medicare, 1.45 percent, for both FERS and CSRS employees.

Effective in FY 1997, the BLM recognizes its share of the expense of employee benefit programs and future pension outlays incurred by OPM and the imputed financing source applicable to the expense. Further information on imputed financing is available in Note 20.

M. Leases

The BLM has entered into some lease arrangements that potentially qualify as capital leases. However, the BLM has historically not considered lease arrangements for inclusion as assets. The dollar value of leases that could qualify as capital leases is not considered material.

N. Net Position

The components of Net Position are defined as follows:

1. Unexpended appropriations include undelivered orders and unobligated balances; the latter may include both available and unavailable amounts.

2. Cumulative results of operations is comprised of 1) the difference between revenues and expenses, 2) the net amount of transfers of assets in and out without reimbursement, and 3) donations, all since inception of the fund(s).

O. Comparative Data

Comparative data for the prior fiscal year is presented in order to provide an understanding of changes in BLM's financial position and operations. Several regulatory changes necessitated a restatement of FY 1996 data so that valid comparisons could be made between FY 1996 and FY 1997. These included substituting the Statements of Net Cost and the Statements of Changes in Net Position for the Statements of Operations and Changes in Net Position, as required by OMB Bulletin 97-01; changes in the definition of revenue pursuant to SFFAS No. 7; and the addition of eliminating entries caused by the change from preparing combining statements to preparing consolidating statements.

Note 2 - Fund Balances with Treasury

U.S. Government cash is accounted for on an overall consolidated basis by Treasury. The balances shown on the Combined Comparative Statements of Financial Position represent BLM's right to draw on Treasury for valid expenditures. The balances consist of general fund receipt accounts, general fund expenditure accounts, trust funds, revolving funds, special fund receipt accounts, special fund expenditure accounts, and deposit funds. Refer to Note 1(B). Fund balances as shown on BLM's records are reconciled periodically with Treasury's records.

Fund Balances with Treasury at September 30, 1997:

	Obligated	Unobligated		Total
		Available	Restricted	
Entity Assets:				
Appropriated Funds	$ 197,979	$ 190,213	$ 11,497	$ 399,689
Helium Fund	1,385	34,666		36,051
Working Capital Fund	12,408	8,664		21,072
Trust Funds	2,564	10,201		12,765
	214,336	243,744	11,497	469,577
Non-Entity Assets:				
Other Fund Types			168,159	168,159
Total Fund Balances	$ 214,336	$ 243,744	$ 179,656	$ 637,736

Fund Balances with Treasury at September 30, 1996:

	Obligated	Unobligated		Total
		Available	Restricted	
Entity Assets:				
Appropriated Funds	$ 170,391	$ 199,860	$ 7,646	$ 377,897
Helium Fund	2,059	33,795		35,854
Working Capital Fund	11,349	9,746		21,095
Trust Funds	2,012	7,830		9,842
	185,811	251,231	7,646	444,688
Non-Entity Assets:				
Other Fund Types			166,502	166,502
Total Fund Balances	$ 185,811	$ 251,231	$ 174,148	$ 611,190

Note 3 - Accounts Receivable

Accounts receivable represent amounts owed to the BLM. Entity accounts receivable represent amounts that the BLM has authority to use. Entity intragovernmental accounts receivable represent amounts due from other Federal agencies, while entity governmental accounts receivable represent amounts due from non-Federal entities. Non-entity accounts receivable are amounts that are generated by BLM's programs but are not available to the programs. All of the non-entity accounts receivable represent amounts due from non-Federal entities.

Accounts Receivable at September 30, 1997:

	Entity		Non-Entity	
	Intra-Governmental	Governmental	Governmental	Total
Accounts Receivable	$ 9,385	$ 6,102	$ 4,322	$ 19,809
Less Allowance for Doubtful Accounts		3,474	2,292	5,766
Accounts Receivable, Net	$ 9,385	$ 2,628	$ 2,030	$ 14,043

Accounts Receivable at September 30, 1996:

	Entity		Non-Entity	
	Intra-Governmental	Governmental	Governmental	Total
Accounts Receivable	$ 9,061	$ 6,522	$ 3,050	$ 18,633
Less Allowance for Doubtful Accounts		4,825	2,536	7,361
Accounts Receivable, Net	$ 9,061	$ 1,697	$ 514	$ 11,272

Note 4 - Inventories

Inventories at September 30:

	1997	1996
Inventory, Net:		
Working Capital Fund:		
Inventory	$ 501	$ 2,384
Less Allowance for Loss on Inventory	151	166
	350	2,218
Helium Fund:		
Above-Ground Refined Helium for Sale	1,428	2,346
Below-Ground Crude Helium for Sale	2,472	2,647
	3,900	4,993
Inventory, Net	$ 4,250	$ 7,211
Gas and Storage Rights, Net:		
Gas and Storage Rights	$ 1,538	$ 1,538
Less Accumulated Depletion Allowance	460	459
Gas and Storage Rights, Net	$ 1,078	$ 1,079
Stockpile Materials:		
Below-Ground Crude Helium	$ 365,065	$ 366,235

Valuation methods and other information regarding inventories are presented in Note 1(G).

Note 5 - Property and Equipment, Net

Property and Equipment, Net at September 30, 1997:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	$ 10,055	$	$ 10,055
Structures, Facilities, and Improvements	126,217	72,426	53,791
ADP Software	1,893	1,226	667
Equipment and Vehicles	254,580	146,563	108,017
Construction in Progress	51,662		51,662
Property Being Held Pending Disposition	7,279	4,292	2,987
Total	$ 451,686	$ 224,507	$ 227,179

Property and Equipment, Net at September 30, 1996:

	Acquisition Value	Accumulated Depreciation	Net Book Value
Acquired Land	$ 5,952	$	$ 5,952
Structures, Facilities, and Improvements	125,252	14,082	111,170
ADP Software	1,564	1,155	409
Equipment and Vehicles	245,303	136,936	108,367
Construction in Progress	48,040		48,040
Property Being Held Pending Disposition	14,046	9,061	4,985
Total	$ 440,157	$ 161,234	$ 278,923

Depreciation is recorded using the straight line method over a period of 2 to 30 years. Capitalization criteria are discussed in Note 1(H).

Beginning in FY 1997, all capitalized real property is being depreciated. Previously, only Helium Operations was recording depreciation expense for real property. Accumulated depreciation was calculated for all real property from the time of acquisition through September 30, 1997. The portion applicable to FY 1997 is recorded as depreciation expense, and the portion prior to FY 1997 is recorded as a prior period adjustment. Additional discussion of this adjustment may be found in Notes 1(H) and 21.

Note 6 - Unmatured Timber Sales Contracts

Unmatured timber sales contracts represent the obligation and the right of contractors to cut specific quantities of timber within a defined time period at a set price. These contracts represent future revenue to the U.S. Government that will materialize in future accounting periods as contracts are fulfilled by the cutting of timber. Also see Note 12.

Note 7 - Total Assets

For financial reporting purposes, the BLM has not recognized the value of negotiable securities or certificates of deposit pledged to guarantee performance of contracts. These instruments are accepted in lieu of bond coverage in the following programs: solid or fluid energy minerals extraction (oil, gas, coal, etc.), rights-of-way on the public or other lands, and certain contracts (performance bonds). Interest earned is paid to the owner of the security or certificate of deposit and is not available to the BLM. At September 30, 1997, the value of these securities was $4,788; at September 30, 1996, the value was $6,134. Since these assets are not available to the BLM unless a customer defaults on an agreement, they are not recognized as BLM assets or liabilities.

Note 8 - Debt to Treasury

Amounts due Treasury from the Helium Fund at September 30:

	1997	1996
Principal:		
Net Worth Debt	$ 37,343	$ 37,343
Additional Borrowing from Treasury	251,650	251,650
	288,993	288,993
Interest:		
Beginning Balance	1,076,211	1,084,211
Repayments	(8,000)	(8,000)
	1,068,211	1,076,211
Total Debt to Treasury	$ 1,357,204	$ 1,365,204

Refer to Note 1(I) for a description of net worth debt, additional borrowing from Treasury, and interest.

Note 9 - Accrued Payroll and Benefits

A liability is recognized for the salaries and benefits earned by employees but not yet paid at the close of the fiscal year. At September 30, 1997, accrued payroll liabilities were $25,165, primarily representing 12 days of earned but unpaid compensation for BLM's workforce. At September 30, 1996, accrued payroll liabilities were $21,365, primarily for 11 days of earned but unpaid compensation.

Note 10 - Undistributed Collections

Undistributed collections represent amounts collected into unavailable special receipt funds that have not yet been transferred to other funds.

Note 11 - Deposit Funds

The BLM processes collections from various sources for activities related to public land administration. At any given time, the BLM may have collections that have not been specifically classified. These amounts are held in suspense pending further classification or resolution.

Note 12 - Deferred Credits

Deferred credits consist of unmatured timber sales contracts, advances from customers of the helium fund, and special fund billed amounts. Unmatured timber sales contracts are described in Note 6. Customer advances in the helium fund represent advance payments on helium

purchases and storage contracts. Special fund billed amounts are a combination of advance bills for anticipated obligations, as well as actual bills for obligations already incurred.

Deferred Credits at September 30:

	1997	1996
Unmatured Timber Sales Contracts	$ 93,579	$ 99,670
Customer Advances—Helium Fund	1,287	1,224
Special Fund Billed Amounts	586	458
Total Deferred Credits	$ 95,452	$ 101,352

Note 13 - Workers and Unemployment Compensation Payable

Workers and unemployment compensation payable represents the Department of Labor estimate of these liabilities.

Workers and Unemployment Compensation Payable at September 30:

	1997	1996
Workers Compensation Payable	$6,953	$7,225
Unemployment Compensation Payable	743	909
Total	$7,696	$8,134

Note 14 - Accrued Annual Leave

The BLM allocates annual leave not covered by budgetary resources to the two funds with the most planned labor activity. The accrual is updated annually based on actual labor hours and current pay rates.

Note 15 - Contingent Liabilities

Judgements and Claims: The BLM is a party to a number of lawsuits where the plaintiff is seeking monetary damages. In the opinion of BLM management and legal counsel, a reasonable estimate of the potential liability of these claims cannot be made. However, for five claims estimated at $13,500, the probable payout is reasonably estimable at $7,900. The BLM's future financial condition will not likely be materially affected. The Justice Department's judgement fund will likely pay these judgements or settlements.

Environmental Cleanup: The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 and the Resource Conservation and Recovery Act require Federal agencies to report sites where hazardous wastes are or have been stored, treated, or disposed of, and require responsible parties, including Federal agencies, to clean up releases of hazardous substances. The BLM faces major challenges in cleaning up hazardous substance releases on the public lands. Virtually all of these releases arise from non-BLM and non-Federal uses of the lands, such as illegal dumping, transportation spills, landfills, mineral development operations, pipelines, and airports. Substantial portions of the costs of cleanup will be incurred by, or recovered from, responsible parties.

The BLM has identified over fifty small emergency response actions which will require future

funding. This type of action is usually mitigated without performing a study and, generally, the responsible party is not found, which results in BLM bearing the expense. Future funding required as of September 30, 1997, is estimated at $978.

Larger sites require one or more studies to determine the scope of the contamination and the possible cleanup techniques. Cleanup costs are inestimable until the study is complete. When the studies are complete, several cleanup options are generally suggested with the approximate range of cost of each, and BLM management determines the most appropriate course of action.

In these larger sites, efforts are made to identify and locate potentially responsible parties who are held liable for the cost of studies and cleanup. Frequently, litigation is required to enforce payment. As of September 30, 1997, approximately 30 studies were underway or were planned, with future costs estimated at almost $3,000. The BLM will probably pay $1,252 of that total. For another 26 sites, the future cleanup costs are estimated in excess of $20,000, with the BLM cost likely to be approximately $4,395.

Abandoned Mine Lands: A BLM Task Force issued a status report on Abandoned Mine Lands (AML) to the Director during FY 1997. According to that report, in an area of 7.4 million acres, almost 7,000 AML sites were verified containing over 6,600 safety hazards. During the period 1993 - 1996, an abatement of public safety hazards occurred in 537 sites. The report estimated that over 70,000 AML sites could exist on BLM-administered land. The BLM faces a significant exposure to lawsuits or claims for damages resulting from injury or death at one or more of these sites. We have no basis for estimating the future financial impact of this situation.

The BLM has recorded a total of $14,525 as a contingent liability and an expense in FY 1997.

Note 16 - Unexpended Appropriations

Unexpended Appropriations at September 30:

	1997	1996
Unobligated, Available	$ 206,494	$ 208,956
Undelivered Orders	167,773	137,947
Total Unexpended Appropriations	$ 374,267	$ 346,903

Note 17 - Operating Expenses

Operating Expenses by Object Classification:

	1997	1996
Personal Services and Benefits	$ 573,400	$ 522,005
Travel and Transportation	38,098	28,749
Rental, Communication, and Utilities	60,565	60,936
Printing and Reproduction	3,286	2,376
Contractual Services	231,146	155,206
Supplies and Materials	74,157	44,298
Property and Equipment Not Capitalized	38,431	23,049
Bad Debts	(1,420)	4,600
Grants, Subsidies, and Contributions	192,910	192,057
Total Operating Expenses	$ 1,210,573	$ 1,033,276

Operating Expenses by Fund:

	1997	1996
Management of Lands and Resources	$ 659,594	$ 557,708
Payments in Lieu of Taxes	113,526	115,995
Oregon and California Grant Lands	108,352	86,530
Other Appropriated Funds	328,907	271,003
Subtotal, Appropriated Funds	1,210,379	1,031,236
Trust Funds	8,144	6,616
Working Capital Fund	7,477	6,450
Helium Fund	3,446	3,641
Total Operating Expenses	1,229,446	1,047,943
Less Eliminations	(18,873)	(14,667)
Net Operating Expenses	$1,210,573	$1,033,276

Note 18 - Unfunded Expenses

Unfunded expenses consists of four categories: the change in accrued annual leave for BLM personnel, the change in the liability for Workers and Unemployment Compensation, the total probable BLM expense for environmental cleanup, and other contingent liabilities. The environmental cleanup expense and other contingent liabilities are being reported for the first time in FY 1997; in subsequent reports, the change in these liabilities will be reported, similarly to the other categories.

Unfunded Expenses for FY 1997 and FY 1996:

	1997	1996
Environmental Cleanup Expenses	$ 6,625	$
Other Contingent Liabilities	7,900	
Annual Leave	1,242	1,439
Workers and Unemployement Compensation	(438)	772
Total Unfunded Expenses	$15,329	$2,211

Note 19 - Deferred Maintenance

The BLM purchases or constructs infrastructure assets such as buildings, roads, water and sewer systems, recreational facilities, and transportation systems consisting of roads and trails. Taken as a whole, these assets are maintained in a state of repair that permits the use and management of public lands.

Nevertheless, there is a significant maintenance backlog relative to the infrastructure assets, and BLM management believes that increased maintenance, reducing the backlog, would benefit public land improvements. Because the bulk of public land improvements are not held for sale or used for the generation of revenue, any impairment in the value of individual assets is not considered significant by management in measuring the financial results of the BLM.

Note 20 - Imputed Financing

Statement of Federal Financial Accounting Standards (SFFAS) No. 5, Accounting for Liabilities of the Federal Government, establishes accounting and reporting standards for liabilities relating to the Federal employee benefit pro-

grams, including retirement, health benefits, and life insurance. The Office of Personnel Management (OPM) is responsible for paying the cost of these benefits, and the employing agencies have not been recognizing any of the cost.

Under the provisions of SFFAS No. 5, employing agencies must recognize the cost of pensions and other retirement benefits during their employees' active years of service, and must recognize the current annual cost of the Federal Employee Health Benefit (FEHB) program and the Federal Employee Group Life Insurance (FEGLI) program.

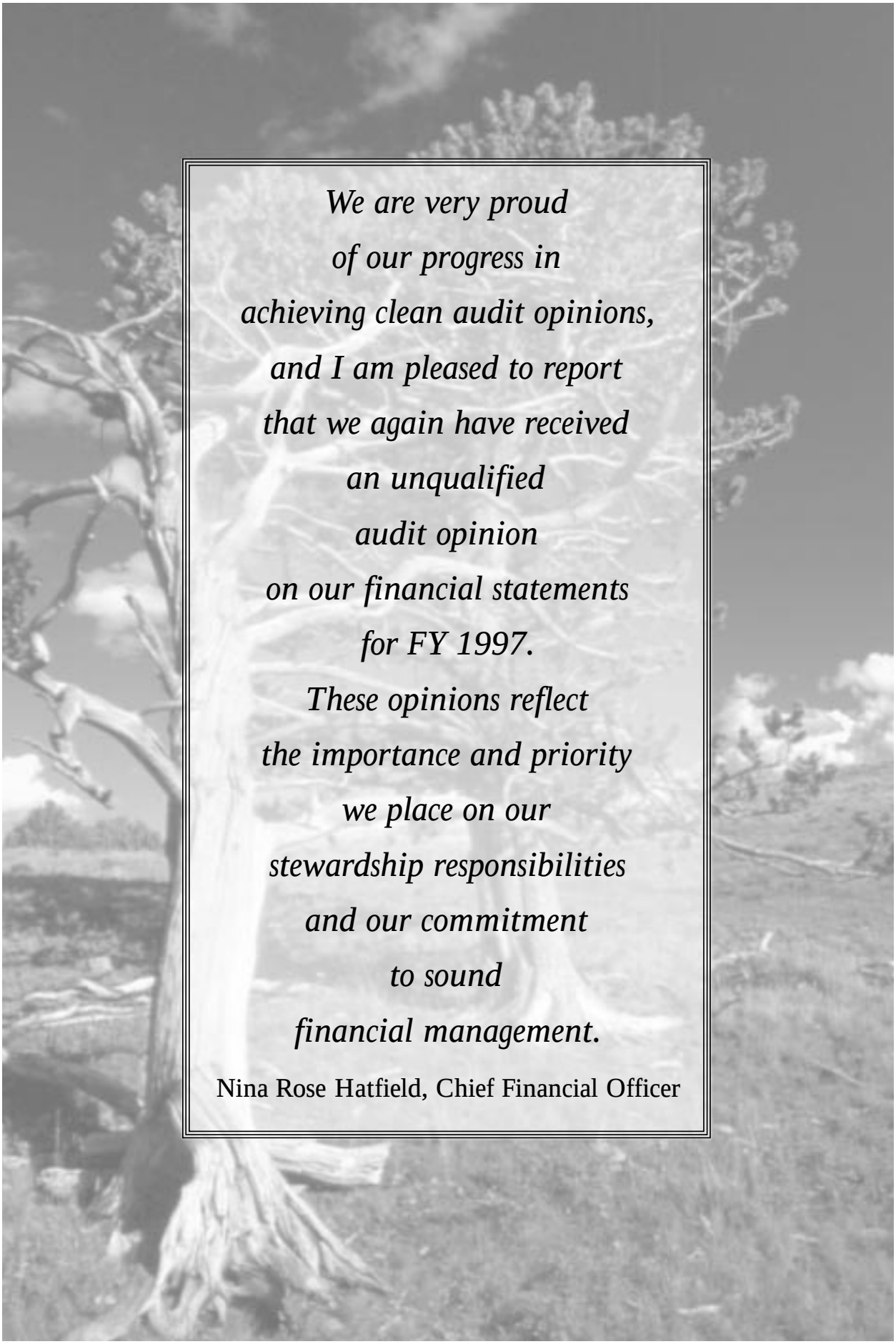
OPM actuaries have provided the employing agencies with rates for calculating the estimated cost of pension and other retirement benefits as of September 30, 1997. They have also provided rates for use in calculating the cost of FEHB and FEGLI for FY 1997. The Department provided labor cost data for the BLM to use in applying the OPM rates to calculate the total imputed cost of these benefits. While BLM funds are not used to pay for these personnel benefits, these costs are BLM operating expenses which must be reported to accurately reflect the cost of doing business. The use of OPM funds for this purpose is an imputed source of financing for BLM.

Note 21 - Prior Period Adjustment

Except for Helium Operations, before FY 1997, capitalized real property was not depreciated in the BLM. During the year, BLM developed and implemented a plan to change this and other property management issues. Real property data has been validated and recorded in the accounting system, using a capitalization threshhold of $250 per site. Part of this process included the application of uniform useful life criteria and the identification of actual acquisition dates. Depreciation was calculated from acquisition through September 30, 1997, and included in accumulated depreciation. That portion of the depreciation attributable to FY 1997 was recorded as a current expense, while the portion relating to earlier years is reported as a prior period adjustment.

Note 22 - Helium Closure

The Helium Privatization Act of 1996 (Public Law 104-273), enacted October 9, 1996, directs the privatizing of the Department of the Interior's Federal Helium Refining Program. Under this law, Interior shall cease producing, refining, and marketing refined helium within 18 months of enactment. Interior may store, transport, and withdraw crude helium and maintain and operate crude helium storage facilities in existence on the date of enactment. The Department may also enter into agreements with private parties for the recovery and disposal of helium on Federal lands and may grant leasehold rights to any such helium. The sale of stockpile crude helium will commence no later than January 1, 2005, and will continue until January 1, 2015, at which time the helium reserves should be reduced to 600 million cubic feet.



We are very proud of our progress in achieving clean audit opinions, and I am pleased to report that we again have received an unqualified audit opinion on our financial statements for FY 1997. These opinions reflect the importance and priority we place on our stewardship responsibilities and our commitment to sound financial management.

Nina Rose Hatfield, Chief Financial Officer

BUREAU OF LAND MANAGEMENT
CONSOLIDATING COMPARATIVE STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 1997 AND 1996
(dollars in thousands)

	1997				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations
Assets:					
Entity Assets:					
Intragovernmental Assets:					
Fund Balances with Treasury	$21,072	$12,765	$399,689	$ 36,051	$
Accounts Receivable			8,792	1,801	(1,208)
Governmental Assets:					
Accounts Receivable, Net			1,638	990	
Travel Advances	264				
Cash in Imprest Funds	531				
Operating Materials and Supplies				1,521	
Inventory, Net	350			3,900	
Gas and Storage Rights, Net				1,078	
Stockpile Materials				365,065	
Property and Equipment, Net	49,330		168,080	9,769	
Total Entity Assets	71,547	12,765	578,199	420,175	(1,208)
Non-Entity Assets:					
Intragovernmental Assets:					
Fund Balances with Treasury			168,159		
Governmental Assets:					
Accounts Receivable, Net			2,030		
Unmatured Timber Sales Contracts			93,579		
Total Non-Entity Assets			263,768		
Total Assets	$71,547	$12,765	$841,967	$420,175	$(1,208)

	1996					
Consolidated	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations	Consolidated
$ 469,577	$21,095	$9,842	$377,897	$ 35,854	$	$ 444,688
9,385			12,682	1,137	(4,758)	9,061
2,628			847	850		1,697
264	102			2		104
531	563					563
1,521				1,667		1,667
4,250	2,218			4,993		7,211
1,078				1,079		1,079
365,065				366,235		366,235
227,179	43,916		222,724	12,283		278,923
1,081,478	67,894	9,842	614,150	424,100	(4,758)	1,111,228
168,159			166,502			166,502
2,030			514			514
93,579			99,670			99,670
263,768			266,686			266,686
$1,345,246	$67,894	$9,842	$880,836	$424,100	$(4,758)	$1,377,914

BUREAU OF LAND MANAGEMENT
CONSOLIDATING COMPARATIVE STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 1997 AND 1996
(dollars in thousands)

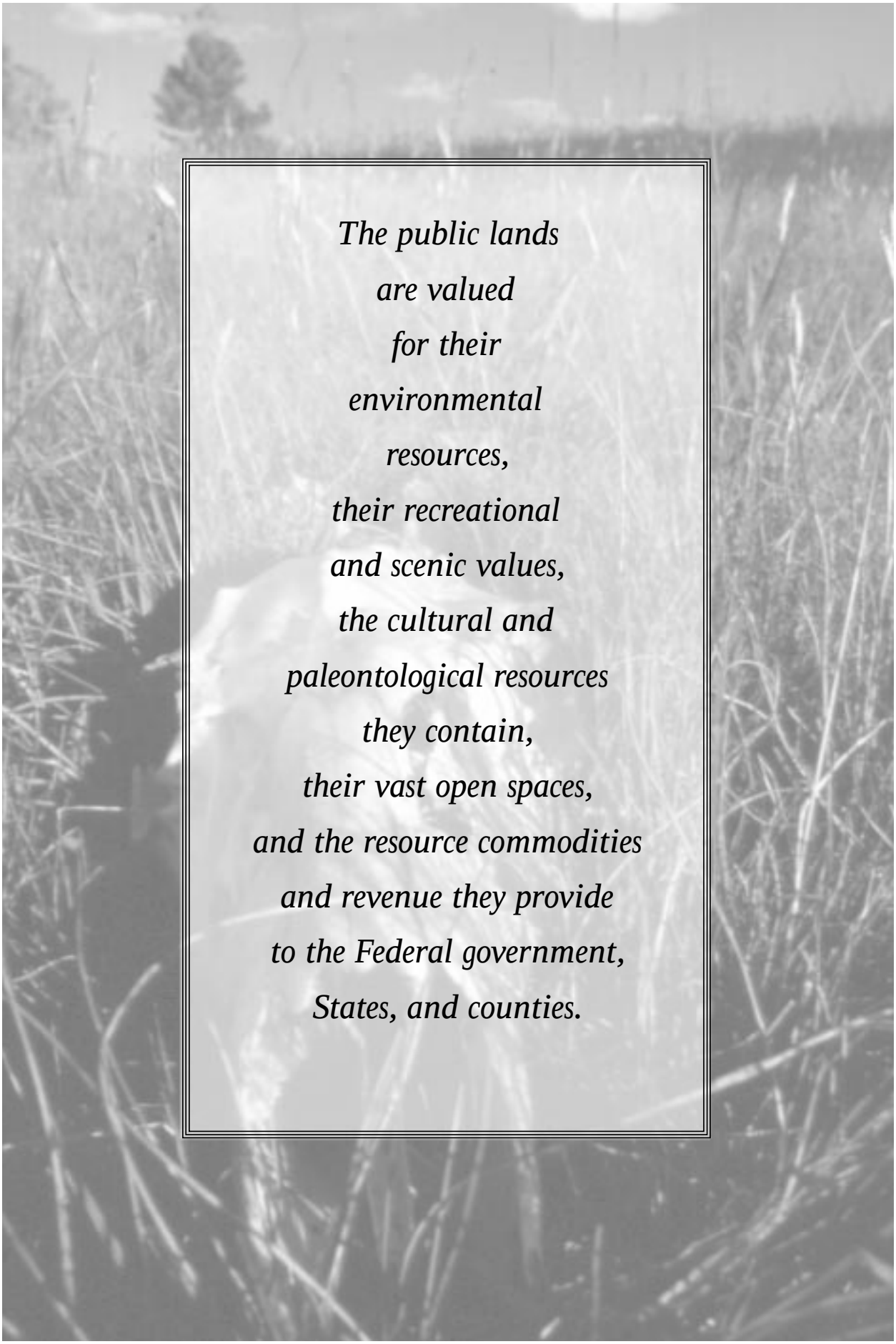
	1997				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations
Liabilities and Net Position:					
Liabilities:					
Liabilities Covered by Budgetary Resources:					
Intragovernmental Liabilities:					
Accounts Payable	$ 4	$ 25	$ 4,115	$ 26	$ (1,208)
Debt to Treasury				1,357,204	
Governmental Liabilities:					
Accounts Payable	451	252	14,093	619	
Accrued Payroll and Benefits	105	147	23,917	996	
Undistributed Collections			141,287		
Deposit Funds			27,562		
Deferred Credits			94,165	1,287	
Total Liabilities Covered by Budgetary Resources	560	424	305,139	1,360,132	(1,208)
Liabilities Not Covered by Budgetary Resources:					
Intragovernmental Liabilities:					
Workers and Unemployment Compensation Payable			7,696		
Governmental Liabilities:					
Accrued Annual Leave			40,703		
Accrued Contingent Liabilities			14,525		
Total Liabilities Not Covered by Budgetary Resources			62,924		
Contingent Liabilities					
Total Liabilities	560	424	368,063	1,360,132	(1,208)
Net Position:					
Unexpended Appropriations		12,341	361,926		
Cumulative Results of Operations	70,987		111,978	(939,957)	
Net Position	70,987	12,341	473,904	(939,957)	0
Total Liabilities and Net Position	$ 71,547	$ 12,765	$ 841,967	$ 420,175	$ (1,208)

	1996					
Consolidated	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations	Consolidated
$ 2,962	$ 29	$ 20	$ 11,025	$ 349	$ (4,758)	$ 6,665
1,357,204				1,365,204		1,365,204
15,415	464	91	18,209	586		19,350
25,165	104	129	20,157	975		21,365
141,287			145,391			145,391
27,562			18,771			18,771
95,452			100,128	1,224		101,352
1,665,047	597	240	313,681	1,368,338	(4,758)	1,678,098
7,696			8,134			8,134
40,703						
14,525			39,461			39,461
62,924			47,595			47,595
1,727,971	597	240	361,276	1,368,338	(4,758)	1,725,693
374,267		9,602	337,301			346,903
(756,992)	67,297		182,259	(944,238)		(694,682)
(382,725)	67,297	9,602	519,560	(944,238)	0	(347,779)
$ 1,345,246	$ 67,894	$ 9,842	$ 880,836	$ 424,100	$ (4,758)	$ 1,377,914

BUREAU OF LAND MANAGEMENT
CONSOLIDATING COMPARATIVE STATEMENTS OF NET COST OF OPERATIONS AND CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED SEPTEMBER 30, 1997 AND 1996
(dollars in thousands)

	1997				
	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations
STATEMENTS OF NET COST OF OPERATIONS					
Costs:					
Operating Expenses	$ 7,477	$ 8,144	$1,210,379	$ 3,446	$(18,873)
Cost of Goods Sold	2,535			14,027	
Depreciation and Amortization	7,282	3	14,511	2,240	
Interest Expense	2	1	103	7	
Unfunded Expenses			15,329		
Total Costs	17,296	8,148	1,240,322	19,720	(18,873)
Revenues:					
Sales of Goods and Services—Public	19	10,970	179,722	8,805	
Sales of Goods and Services—Intragovernmental	19,154		27,837	15,481	(18,873)
Gain on Disposition of Assets	746				
Total Revenues	19,919	10,970	207,559	24,286	(18,873)
Net Cost of Operations	(2,623)	(2,822)	1,032,763	(4,566)	0
Deferred Maintenance					
Net Cost of Operations	(2,623)	(2,822)	1,032,763	(4,566)	0
STATEMENTS OF CHANGES IN NET POSITION					
Net Cost of Operations	2,623	2,822	(1,032,763)	4,566	0
Financing Sources:					
Appropriations Used		8,231	1,120,945		
Intragovernmental Transfers—Net	1,067	(83)	484	(285)	
Imputed Financing			47,060		
Donations					
Total Financing Sources	1,067	8,148	1,168,489	(285)	0
Transfers to Treasury or Other Agencies		10,970	151,223		
Net Results of Operations	3,690	0	(15,497)	4,281	0
Prior Period Adjustment			(54,784)		
Net Change in Cumulative Results of Operations	3,690	0	(70,281)	4,281	0
Increase in Unexpended Appropriations		2,739	24,625		
Net Change in Net Position	3,690	2,739	(45,656)	4,281	0
Net Position, Beginning Balance	67,297	9,602	519,560	(944,238)	0
Net Position, Ending Balance	$70,987	$12,341	$ 473,904	$(939,957)	$ 0

	1996					
Consolidated	Working Capital Fund	Trust Funds	Appropriated Funds	Helium Fund	Eliminations	Consolidated
$ 1,210,573	$ 6,450	$ 6,616	$ 1,031,236	$ 3,641	$ (14,667)	$ 1,033,276
16,562	1,365			14,819		16,184
24,036	6,166	1	12,307	1,308		19,782
113	6	2	99	1		108
15,329			2,211			2,211
1,266,613	13,987	6,619	1,045,853	19,769	(14,667)	1,071,561
199,516	30	8,241	181,607	8,061		197,939
43,599	14,808		25,195	17,086	(14,667)	42,422
746	651			21		672
243,861	15,489	8,241	206,802	25,168	(14,667)	241,033
1,022,752	(1,502)	(1,622)	839,051	(5,399)	0	830,528
1,022,752	(1,502)	(1,622)	839,051	(5,399)	0	830,528
(1,022,752)	1,502	1,622	(839,051)	5,399	0	(830,528)
1,129,176		7,592	1,028,854			1,036,446
1,183	4,981	(992)	(58,913)			(54,924)
47,060						0
0		19	(72)			(53)
1,177,419	4,981	6,619	969,869	0	0	981,469
162,193		8,241	153,163			161,404
(7,526)	6,483	0	(22,345)	5,399	0	(10,463)
(54,784)						
(62,310)	6,483	0	(22,345)	5,399	0	(10,463)
27,364		650	85,089			85,739
(34,946)	6,483	650	62,744	5,399	0	75,276
(347,779)	60,814	8,952	456,816	(949,637)		(423,055)
$ (382,725)	$ 67,297	$ 9,602	$ 519,560	$ (944,238)	$ 0	$ (347,779)



The public lands
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S T E W A R D S H I P A S S E T S

The BLM has been entrusted with stewardship responsibility for the multiple-use management of natural resources on approximately 264 million acres of public land. The agency also supervises mineral leasing and operations on over 560 million acres of mineral estate that underlie both BLM lands and other surface ownerships. The public lands are valued for their environmental resources, their recreational and scenic values, the cultural and paleontological resources they contain, their vast open spaces, and the resource commodities and revenue they provide to the Federal government, States, and counties.

Stewardship Lands

Location of Stewardship Lands

Most of the public lands for which the BLM serves as steward were once a part of the 1.8 billion acres of "public domain" lands acquired by the Nation between 1781 and 1867. Lands managed by the BLM represent about one-eighth of America's land surface, or approximately 41 percent of the lands under Federal ownership. The BLM manages lands in 27 States, but most of the public lands are located in Alaska and the 11 western States, encompassing Arizona, California, Colorado, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming. Figure 1 shows the percentage of each state's surface acreage that is managed by the BLM.

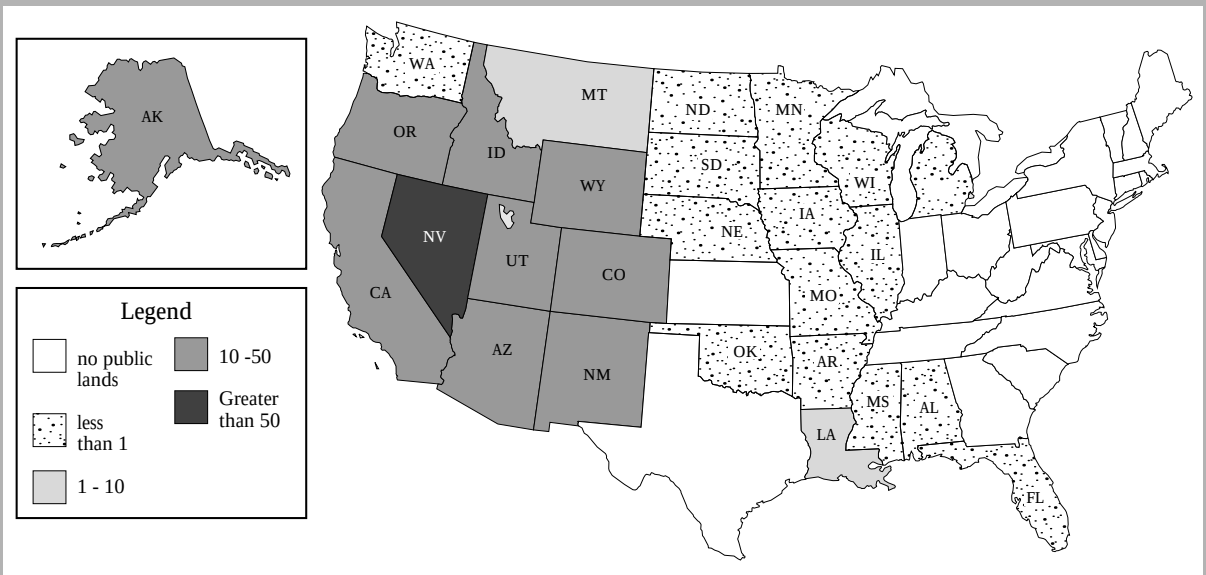
Use of Stewardship Lands

The BLM is guided by the principles of multiple use and sustained yield in its management of the public lands—principles that are shaped by both tradition and statute. Historically, multiple use has been a system under which the same area of land is used simultaneously for two or more purposes, often by two or more different persons or groups. These uses might be complementary, or, as is frequently the case, competitive with one another. This long-term BLM management practice was codified in 1976 with the enactment of the Federal Land Policy and Management Act (FLPMA). The Congress, recognizing the value of the remaining public lands to the American people, declared that these lands generally would remain in public ownership and defined multiple use as "management of the public lands and their various resource values so they are utilized in the combination that will best meet the present and future needs of the American people."

FLPMA requires not only that BLM's management of the public lands avoid permanent impairment of the productivity of the land, but also that it not lead to the permanent impairment of "the quality of the environment." The act identifies the uses that are embraced by the multiple use concept to include mineral development; natural, scenic, scientific, and historical values; outdoor recreation; range; timber; watershed; and wildlife and fish. In managing the

Above: Gray Canyon in Utah is just one example of BLM's stewardship lands. *(photo by Kelly Rigby, BLM's Utah State Office)*

Figure 1 - Percentage of Each State's Surface Acreage Managed by the BLM.



public lands for these uses, the BLM is constrained by the legal mandate to "protect the quality of scientific, scenic, historical, ecological, environmental, air and atmospheric, water resource, and archeological values . . . and provide for . . . human occupancy and use."

For the BLM, land use planning is the process by which the multiple use concept is put into practice on any tract of public land.

Use of the public lands and the riches they contain has changed throughout our Nation's history and continues to evolve. Identifying the predominant use of BLM-managed lands does not adequately portray the multiple use and sustained yield concept that guides the BLM in accomplishing its basic mission. In adhering to the concept of multiple use and sustained yield, the Bureau's land management programs include significant efforts in restoring riparian wetlands; preserving significant cultural and natural features; creating opportunities for commercial activities; protecting endangered species; developing opportunities for recreation and leisure activities; protecting public health, safety, and resources; managing wild horses and burros; managing wildlife habitat and fisheries; administering mining laws; managing rangelands; overseeing forest management, development, and protection; and managing wilderness and wild and scenic rivers.

Types and Condition of Stewardship Lands

The BLM is responsible for managing a variety of land types. Table 1 shows the primary land types that are managed by the BLM, along with their general condition.

Rangeland: The BLM manages 165 million acres of rangelands in the continental United States and another 5 million acres of reindeer range in Alaska. Rangeland is land on which the native vegetation (climax or natural potential) is predominately grasses, grass-like plants, forbs, or shrubs suitable for grazing or browsing use. Range includes lands revegetated either naturally or artificially to provide a forage cover that is managed like native vegetation. Rangelands encompass natural grasslands, savannahs, shrublands, most deserts, tundra, alpine communities, coastal marshes, and wet meadows.

Rangeland Management: The 165 million acres of rangelands in the continental United States are managed under the multiple use concept defined in FLPMA. Under that concept and law, the BLM manages rangelands to offer uses and values far beyond what many people would have thought years ago to be possible for "the lands that no one wanted."

Table 1 - Type and Condition of Lands Managed by the BLM.

Land Type	Acres/Miles	Condition[1]
Rangeland		
a. Alaska Reindeer Range	5 Million Acres	Excellent ---------- All
b. Continental USA Range	165 Million Acres	[2 - 3] Potential natural community (excellent) ------- 4 % Late seral (good) ---------- 32 % Mid seral (fair) ---------- 37 % Early seral (poor) ---------- 13 % Unclassified[4] ---------- 14 %
Forested Land		
a. Forestlands	11 Million Acres	Good
b. Woodlands	36 Million Acres	Good
Riparian Areas and Wetlands		
a. Riparian Areas	183,000 Miles 7 Million Acres	Alaska Properly Functioning ---------- 91 % Functioning but at Risk ---------- Trace Nonfunctional ---------- 1 % Unknown ---------- 8 % Lower 48 States Properly Functioning ---------- 31 % Functioning but at Risk ---------- 33 % Nonfunctional ---------- 10 % Unknown ---------- 26 %
b. Wetlands	16 Million Acres	Alaska Properly Functioning ---------- 81 % Functioning but at Risk ---------- < 1 % Nonfunctional ---------- Trace Unknown ---------- 19 % Lower 48 States Properly Functioning ---------- 36 % Functioning but at Risk ---------- 11 % Nonfunctional ---------- 1 % Unknown ---------- 52 %
Aquatic Areas (Lakes, Reservoirs, and Streams)	2 Million Acres 205,500 Miles	Alaska: Good Lower 48 States: Poor
Other Habitat	20 Million Acres	Unclassified

1 Impact of Hazardous Materials on the Condition of the Public Lands: The cumulative direct impacts of the identified future-liability hazardous materials sites will be very small nationally or even regionally. It is the goal of the BLM to achieve cleanup of these sites, and as needed, to restore the functions of adversely affected natural resources.

2 Impact of Noxious Weeds on the Condition of the Public Lands: Noxious weeds currently infest about 8.5 million acres, or 5 percent of BLM's 165 million acres of rangeland in the continental United States. The BLM strategy for preventing and controlling the spread of noxious weeds on BLM public lands is called "Partners Against Weeds."

3 This is a composite of rangeland condition classification since most of the public lands have not been classified under the newer ecologically based classification. The older range condition classification as depicted here rates the rangelands' ability to produce forage.

4 The unclassified condition refers to lands such as dry lakebeds, rock outcrops, and other areas for which data cannot be gathered.

Among the many attributes and values that the public lands offer, well-managed rangelands produce forage and habitat for domestic and wild ungulates, as well as many other forms of wildlife. Rangelands also supply water to communities and municipalities as a result of their watershed functions, capturing and filtering water through the hydrologic cycle. And they supply open space and room for a growing number of recreationists in the form of hunting, fishing, camping, hiking, and other forms of outdoor recreation.

The use of rangelands for grazing is supported not only by FLPMA, but also by the Public Rangelands Improvement Act of 1978 (PRIA), and one of BLM's founding laws, the Taylor Grazing Act of 1934 (as amended). The Taylor Grazing Act, which confers broad powers upon the Department of the Interior for the multiple use management of natural resources, is one of the major conservation laws of the Nation. The Act also contains very direct language requiring the BLM to stop injury to the public grazing lands by preventing overgrazing and soil deterioration; to provide for their orderly use, improvement, and development; and to stabilize the livestock industry that depends upon the public range.

The BLM has a very strong history and role in managing the grazing of domestic livestock on public lands. Most of the grazing capacity on the public lands is committed and has been since the early days of the Bureau. The primary domestic livestock that are permitted for grazing use are cattle and sheep. However, horses, goats, and bison are occasionally permitted.

Rangeland Condition: The condition of rangeland managed by the BLM is expressed as the degree of similarity of present vegetation to the potential natural plant community.

- The condition classification of "potential natural community" means that the current vegetation is between 76 and 100 percent similar to the potential natural plant community.

- The classification of "late seral" means that the current vegetation is between 51 and 75 percent similar to the potential natural plant community.

- The classification of "mid seral" means that the current vegetation is between 26 and 50 percent similar to the potential natural plant community.

- The condition classification of "early seral" means that the current vegetation is between zero and 25 percent similar to the potential natural plant community.

Forestlands and Woodlands: Forests are defined as those lands containing tree species with at least 10 percent crown closure, or, if lacking trees, bearing evidence of former forests. Forestlands are further split into productive forestlands producing in excess of 20 cubic feet per acre per year of wood, non-productive forestlands, and woodlands. Woodlands are forested with tree species not normally considered useful for sawlogs.

Forest and woodland resources on the public lands encompass approximately 47 million acres. About 22 million acres are in Alaska, with the remaining 25 million in the 11 western States. These forested lands are of great variety and include black and white spruce in Alaska; aspen, lodgepole pine, ponderosa pine, interior Douglas fir, and associated species of the Intermountain

Forestlands and woodlands make up almost 20% of the 264 million acres managed by the BLM. *(BLM file photo)*

West; the pinyon-juniper woodlands of the Great Basin and the Southwest; and the Douglas fir, hemlock, and cedar forests of western Oregon and northern California. Although Alaska has about 7 million acres that are capable of producing timber, most of this forestland is either inaccessible or too far from established markets to make timber harvest feasible.

Forestland and Woodland Management: Of this 47 million areas of forestland, only about 4 million acres outside of Alaska are actually classified as "productive" (capable of producing timber). However, the management emphasis on much of BLM's productive forestland is not timber, but rather a multitude of other values and uses such as recreation, aesthetics, water quality, wildlife habitat (including endangered species), wilderness, and other values. For example, the highly productive Oregon and California Grant Land (O&C) forestlands in Western Oregon are managed under the Northwest Forest Plan to provide a sustainable supply of both timber and non-timber resources. Of the 2.2 million acres of O&C forestland, only about 495,000 acres are managed for timber production. Table 2 shows the percentage distribution of the 47 million acres of forestlands and woodlands by State.

Table 2 - Forestland and Woodland Distribution by State

Jurisdiction	Forestland (percentage of 11 million acre total)	Woodland (percentage of 36 million acre total)
Alaska	0.2	3.5
Arizona	63.2	42.2
California	2.2	1.1
Colorado	4.2	9.9
Idaho	3.6	1.1
Montana	3.4	0.4
Nevada	0.0	17.5
New Mexico	0.3	4.8
Oregon	20.0	0.8
Utah	0.0	18.1
Wyoming	2.0	0.6

Forestland and Woodland Condition: Generally, the condition of BLM's forested lands is thought to be good insofar as they are providing important wildlife habitat and watershed protection functions. However, the BLM is exploring, in concert with the United States Department of Agriculture's Forest Service, a functional assessment methodology that could be used for BLM forests. Such a methodology will probably take several years to develop and will require extensive technical input.

Riparian Areas and Wetlands: Riparian areas are lands adjacent to creeks, streams, and rivers where vegetation is strongly influenced by the presence of water. Riparian areas may constitute less than 1 percent of the land area in the western part of the United States, but they are among the most productive and valuable of all lands.

On the BLM public lands in western Oregon and California, riparian areas are characterized by a zone of deciduous trees and shrubs between the stream and conifer forests. In Alaska, riparian areas are composed of willows, alders, and meadow grasses along rivers, lakes, and bogs. In the arid climate of the Great Basin and Southwest, riparian areas are gems in the desert, characterized by grasses, forbs, sedges, woody shrubs, and trees, and are easily distinguished from dryer upland vegetation.

Wetlands are generally defined as areas inundated or saturated by surface water or groundwater at a frequency and duration sufficient to support vegetation that is typically adapted for life in saturated soil. Wetlands include bogs, marshes, shallows, muskegs, wet meadows, and estuaries.

Healthy riparian-wetland systems purify water as it moves through the vegetation by removing sediment, and act like a sponge by retaining water in streambanks and ground water aquifers. Riparian-wetland vegetation along upper watershed streams can absorb and dissipate the energy of floodwaters before they reach high-value agricultural lands in lower valleys.

Riparian and Wetland Management: BLM's Riparian-Wetland Initiative for the 1990s has been the operating premise for the BLM since 1991. This initiative provides the blueprint for managing and restoring riparian-wetland areas encompassing about 16 million acres of wetlands and 183,000 miles of riparian areas on BLM's public lands. Overall, riparian-wetland areas account for more than 8 percent of the 264 million acres of land under BLM management.

Many wildlife species depend upon the unique and diverse habitat niches offered by riparian-wetland areas. These habitats provide

food, water, shade, and cover, and they are valuable sources of forage for big game and livestock.

Riparian-wetland areas provide habitat for more than 42 percent of all the mammals in North America. They are also stop-over areas for thousands of migrating birds. Riparian-wetland vegetation is of critical importance for fish, especially for trout in desert streams, where the vegetation provides escape cover, lowers summer water temperatures through shading, and reduces streambank erosion that can silt-in spawning and rearing areas.

Finally, riparian areas are focal points for recreation, including fishing, camping, boating, and hiking.

Riparian and Wetland Condition: The condition of riparian-wetland areas is determined by the interaction of geology, soil, water, and vegetation.

- "Properly functioning" means that adequate vegetation, landform, or large woody debris is present to dissipate stream energy associated with high waterflows; to filter sediment, capture bedload, and aid floodplain development; to improve flood-water retention and groundwater recharge; to develop root masses that stabilize streambanks against cutting action; to develop diverse ponding and channel characteristics; and to support greater biodiversity.
- The "functioning but at risk" classification means that areas are susceptible to degradation due to soil, water, or vegetation characteristics.
- "Nonfunctional" means that areas do not provide adequate vegetation, landform, or large woody debris to dissipate stream energy, and consequently do not reduce erosion or improve water quality.
- The "unknown" classification applies to areas where sufficient information has not been collected to determine condition.

Aquatic Areas: These are areas of water flow or standing water that include about 2 million acres of lakes, 181,500 acres of reservoirs, and approximately 205,500 miles of fishable streams. These waters contain a wide variety of aquatic species that range from rare resident species, such as the desert pupfish, to endangered and threatened anadromous species such as steelhead and chinook salmon. These species and their environment depend on the appropriate use and stewardship of rangelands and riparian areas, as well as environmentally sensitive mining practices.

Aquatic Area Management: The Fishery Resources Conservation Plan, which was developed in response to Executive Order 12962 dated June 7, 1995, requires the BLM, along with other Federal agencies, to enhance recreational angling on public lands. The BLM's emphasis is on restoring native fish species through "Bring Back the Natives", its flagship partnership with Trout Unlimited, the National Fish and Wildlife Foundation, and other Federal and Tribal partners.

Aquatic Area Condition: The condition of aquatic areas in Alaska is good; in the lower 48 states, it is generally considered to be poor.

Other Habitat: Lands classified as other habitat are areas that generally do not provide forage in sufficient amounts to sustain wildlife or grazing animals. This land type includes mountain tops, glaciers, barren mountains, sand dunes, playas, hot-dry deserts, and other similar areas.

Net Change in Stewardship Land Acreage from 1996 to 1997

Lands under the exclusive jurisdiction of the BLM at the end of fiscal year 1997 decreased by approximately 375,000 acres from fiscal year 1996. This represents a net decrease of 0.14 percent, which resulted from the net effect of acquisition, disposal, exchange, withdrawal, and restoration transactions. More than 350,000 acres of the decrease occurred in Alaska.

Natural Heritage Assets

Protecting and Enhancing the Natural and Human Environment

Guided by the principles of multiple use and sustained yield in managing the public lands, the BLM has recognized the need to protect and

enhance the natural and human environment. Special management areas have been designated by congressional and administrative action. Congress has established national trails, Wild and Scenic Rivers, and wilderness areas, to name a few. Administratively designated areas include recreation areas, primitive areas, natural areas, resource conservation areas, areas of critical environmental concern, and others.

Types and Condition of Special Management Areas

Although the BLM manages heritage assets that are not specifically in designated areas, significant portions of the public lands have been congressionally or administratively designated as special management areas. These special management areas have been designated to preserve their natural heritage values. Table 3 provides a summary of designated special management areas, along with their number, size, and condition.

National Wild and Scenic Rivers: The BLM administers some 20 percent of all rivers in the National Wild and Scenic Rivers System, a total of 34 rivers in five states. These nationally recognized rivers comprise over 2,000 river miles and encompass some of the Nation's greatest diversity and concentrations of recreational, nat-

Table 3 - Number, Size, and Condition of Designated Special Management Areas

Special Management Area [1]	Number	Total Acres [2]	Total Miles [2]	Condition
National Wild and Scenic Rivers [c]	34	951,824	2,022	Very Good
National Wilderness Areas [c]	136	5,251,363		Very Good
Wilderness Study Areas [a]	622	18,020,549		Very Good
National Conservation Areas [c]	8	11,689,774		Good
Santa Rosa Mountains National Scenic Area [c]	1	65,280		Good
White Mountains National Recreation Area [c]	1	1,000,000		Good
National Historic Trails [c]	9		3,590	Stable
National Scenic Trails [c]	2		502	Stable
Yaquina Head National Outstanding Natural Area [c]	1	100		Good
Herd Management Areas [a]	199	33,167,752		See Table 1, Rangeland
Grand Staircase-Escalante National Monument [a]	1	1,700,000		Good
Areas of Critical Environmental Concern [a]	696	10,371,582		Good
National Natural Landmarks [a]	43	599,042		Good
Research Natural Areas [a]	100	326,449		Good
National Recreation Trails [a]	26		429	Stable
National Back Country Byways [a]	69		3,518	Good
Globally Important Bird Areas [a]	2	56,500 [3]		Good
United Nations Biosphere Reserves [a]	1	2,000		Good

1 Congressional designations are identified by [c]. Administrative designations are identified by [a].

2 These quantities are also reported in the Stewardship Lands section of this report under the land type applicable to the special management area.

3 The acreage for Globally Important Bird Areas is also contained in National Conservation Areas and the Yaquina Head National Outstanding Natural Area.

ural, and cultural resources. Included among the BLM-managed Wild and Scenic Rivers is the Fortymile River in Alaska, which is the longest designated river (392 miles) in the National Wild and Scenic Rivers System.

Rivers designated in the National Wild and Scenic Rivers System are classified in one of three categories, depending on the extent of development and accessibility along each section. Designated river segments are classified and administered under one of the following as defined in Section 2(b) of the Wild and Scenic Rivers Act:

- Wild river areas are those rivers or sections of rivers that are free of impoundments and generally inaccessible except by trail, with watersheds or shorelines essentially primitive and waters unpolluted. These represent vestiges of primitive America.

- Scenic river areas are those rivers or sections of rivers that are free of impoundments, with shorelines or watersheds still largely primitive and shorelines largely undeveloped, but accessible in places by roads. For example, roads may cross but generally not parallel the river.

- Recreational river areas are those rivers or sections of rivers that are readily accessible by road or railroad; they may have some development along their shorelines and may have undergone some impoundment or diversion in the past.

In addition to being free flowing, these rivers and their immediate environments must possess at least one outstandingly remarkable value—scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values.

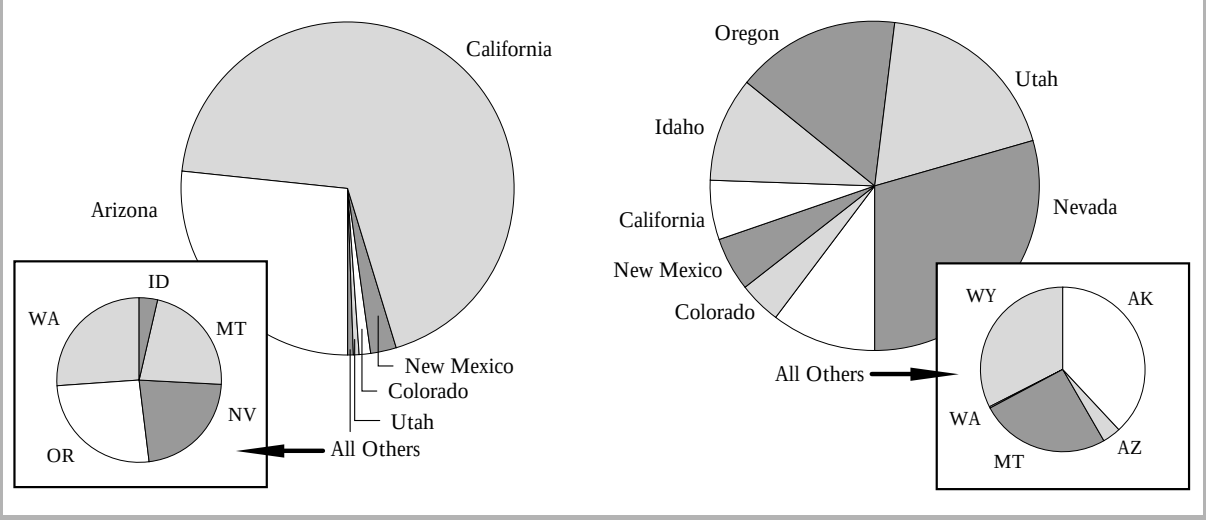
National Wilderness Areas and Wilderness Study Areas: The BLM administers 136 wilderness areas consisting of 5.3 million acres, as well as 622 wilderness study areas encompassing approximately 18 million acres. Nearly 10 percent of all the BLM-managed public lands are designated as either a wilderness or wilderness study area.

The locations of these wilderness areas and wilderness study areas throughout the western United States ensure that these lands represent the wide diversity of resources found on the public lands. Protective management helps ensure the protection and integrity of natural and biological processes on all public lands. Figures 2 and 3 show the percentage of wilderness and wilderness study acreage by State.

The National Wilderness Preservation System was created by the Wilderness Act of 1964. A wilderness area is an area designated by Congress to assure that increasing populations, expanding settlement, and growing mechanization do not occupy and modify all areas of the United States. Designations ensure that certain lands are preserved and protected in their natural condition. In contrast to those areas where man and his works dominate the landscape, wilderness is where the earth and its community of life are untrammeled by man, where man himself is a visitor who does not remain.

Figure 2 - Percentage of Wilderness Acreage by State.

Figure 3 - Percentage of Wilderness Study Acreage by State.



Wilderness is an area of undeveloped Federal land retaining its primeval character and influence, without permanent improvements or human habitation, which is protected and managed so as to preserve its natural conditions and which:

- Generally appears to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable;
- Has outstanding opportunities for solitude or a primitive and unconfined type of recreation;
- Has at least 5,000 acres of land or is of sufficient size as to make practicable its preservation and use in an unimpaired condition; and
- May also contain ecological, geological, or other features of scientific, educational, scenic, or historical value.

National Conservation Areas: The BLM manages eight National Conservation Areas (NCAs) totaling almost 12 million acres. Congress designates NCAs so that present and future generations of Americans can benefit from the conservation, protection, enhancement, use, and management of these areas by enjoying their natural, recreational, cultural, wildlife, aquatic, archeological, paleontological, historical, educational, and/or scientific resources and values. Table 4 shows the name, location, and acreage of BLM's eight National Conservation Areas.

Table 4 - Name, Location, and Acreage of National Conservation Areas

National Conservation Area	Location	Acreage
Steese NCA	Alaska	1,200,000
San Pedro NCA	Arizona	56,400
Gila Box Riparian NCA	Arizona	20,767
King Range NCA	California	56,025
California Desert NCA	California	9,500,000
Snake River Birds of Prey NCA	Idaho	482,457
Red Rock Canyon NCA	Nevada	112,125
El Malpais NCA	New Mexico	262,000

Steese NCA: The Steese National Conservation Area is home to most of the Birch Creek National Wild and Scenic River. The River meanders through low, rolling hills, with occasional cliffs and outcroppings of bedrock.

San Pedro NCA: The San Pedro National Conservation Area was established to protect a rare desert ecosystem consisting of approximately 56,000 acres that includes 40 miles of the upper San Pedro River. More than 300 species of birds, 80 species of mammals, 40 species of amphibians and reptiles, and several species of fish can found in this spectacular area.

Gila Box Riparian NCA: The Gila Box Riparian National Conservation Area is highly significant because desert rivers are rare. The Gila River winds along a buff-colored canyon in which 1,000-foot slopes provide a striking contrast with the mesquite woodland on the riverbanks. Slopes are covered with creosote bush, ocotillo, prickly pear and desert grasses. Spires and notch canyons are but a few of the numerous geologic features along the canyon, and a historic cabin is located at Bonita Creek.

King Range NCA: The King Range National Conservation Area features a dramatic meeting of land and sea, an awesome seashore that is bounded by forested mountain, and the largest stretch of pristine beach along California's northern Pacific Coast, with sharply defined canyons cut by roaring creeks and rivers. The King Range, the Nation's first congressionally established NCA, rises dramatically from sea level to 4,100 feet within a distance of only 3 miles.

The King Range's diverse habitats provide niches for 31 species of reptiles, 75 terrestrial and marine mammals, and 258 species of birds. The 26 miles of untouched coastline within the NCA supports numerous biological resources. Migrating gray whales can be seen within 100 yards of the shoreline. Colonies of nesting seabirds cling to nearby offshore rocks, along with large numbers of seals and sea lions. Three pristine tidepool areas add to the shoreline's treasures.

California Desert NCA: The California Desert National Conservation Area was established by Congress through passage of the Federal Land Policy and Management Act. The California Desert NCA is located in the southeastern portion of California bordering Arizona and Mexico.

Snake River Birds of Prey NCA: The Snake River Birds of Prey special management area was established in 1980 to protect a unique environment in southwestern Idaho supporting one of the world's densest populations of nesting raptors. In 1993, Congress designated the region as the Snake River Birds of Prey National Conservation Area.

Red Rock Canyon NCA: BLM's Red Rock National Conservation Area is just a 15-minute car ride from Las Vegas, Nevada. It offers incredible scenery, fascinating wildlife, and natural adventures. The Red Rock NCA offers a mesmerizing tapestry of red and creme-colored sandstone that draws thousands of visitors each year.

El Malpais NCA: The El Malpais National Conservation Area offers one of the most outstanding examples of a volcanic landscape in the United States. At different times over the last 3,000 years, four distinct lava rivers have flowed through the area. High peaks and mesas provide vistas of extensive volcanic fields, sandstone bluffs, forest, and grasslands. Abundant wildlife, including 60 species of birds, inhabit the area. Archaeological sites, including pueblos, date as far back as 12,000 years. The area also features the spectacular La Ventana sandstone arch.

National Scenic Areas: The BLM manages one national scenic area: the Santa Rosa Mountains National Scenic Area in California, which encompasses approximately 65,000 acres. This area was designated by Congress in 1990 to provide for the conservation and protection of scenic, recreation, and pastoral values and to provide for their enhancement.

National Recreation Areas: The White Mountains National Recreation Area in Alaska encompasses 1 million acres. A National Recreation Area is an area designated by Congress to assure the conservation and protection of natural, scenic, historic, pastoral, and fish and wildlife values and to provide for the enhancement of recreational values. To be designated as a National Recreation Area, an area must meet all of the following criteria:

- The area must be spacious, contain outstanding natural and/or cultural features, and provide significant recreational opportunities;
- The area must be located to withstand comparatively heavy recreation use and located where it can contribute significantly to the recreation needs of urban populations;
- The area must provide recreation opportunities to assure national as well as regional visitation; and
- The scale of investment, development, and operational responsibility must be sufficiently high to require direct Federal involvement or substantial Federal participation to assure optimum public benefit.

The White Mountains National Recreation Area is named for its unusual white limestone cliffs. One of its most prominent features is a 127-mile segment of the Beaver Creek National Wild River that flows from the high alpine tundra of Mount Prindle.

National Historic Trails: The National Historic Trails designated by Congress and managed by the BLM are part of a national treasure that benefits all Americans. These trails tell stories of an expanding nation and the challenges and hardships faced by people, both immigrant and native, who struggled to accommodate themselves to the land and to each other. National Historic Trails are established to identify and protect historic routes. The BLM manages nearly 3,600 miles representing nine of these trails, more than any other Federal agency. These trails include the Iditarod, Juan Bautista De Anza, California, Nez Perce, Lewis and

Colorado Creek Cabin offers cozy shelter to intrepid travelers in BLM's White Mountains National Recreation Area. *(photo by Dave Vickery, BLM's National Interagency Fire Center)*

As Devil's Gate looms in the background, modern-day pioneers form a wagon train in celebration of the Oregon National Historic Trail's sesquicentennial anniversary. *(BLM file photo)*

Clark, Oregon, Mormon Pioneer, Pony Express, and El Camino Real.

National Historic Trails are long-distance trails that follow as closely as possible and practicable the original trails or routes of travel of national historic significance. The purpose of designation is to identify and protect historic routes and their historic remnants and artifacts for public use and enjoyment. Only those selected land- and water-based components of a historic trail that are on federally managed lands and that meet all three of the following criteria are included as Federal protection components:

- The trail must be a route established by historic use and must be historically significant as a result of that use.

- The trail must be of national significance with respect to any of several broad facets of American history, such as trade and commerce, exploration, migration and settlement, or military campaigns. To qualify as nationally significant, the historic use of the trail must have had a far-reaching effect on broad patterns of American culture. Trails significant in the history of native Americans may be included.

- The trail must have significant potential for public recreational use or historical interest based on historic interpretation and appreciation.

National Scenic Trails: The National Scenic Trails, also established by an Act of Congress, are intended to provide for maximum outdoor recreation potential and for the conservation and enjoyment of nationally significant scenic, historical, natural, and cultural qualities of the areas through which these trails pass. The BLM manages 500 miles along two National Scenic Trails—the Continental Divide National Scenic Trail and the Pacific Crest National Scenic Trail. National Scenic Trails may be located to represent desert, marsh, grassland, mountain, canyon, river, forest, and other areas, as well as land forms that exhibit significant characteristics of the physiographic regions of the Nation.

The 3,100-mile Continental Divide National Scenic Trail stretches from Canada to Mexico, along the spine of the Rocky Mountains, through some of the most breathtaking and challenging country in America. The Trail crosses approximately 460 miles of BLM-managed public lands in Montana, Idaho, Wyoming, Colorado, and New Mexico. In addition to BLM-managed public lands, the Trail travels through 25 National Forests, passes through three units of the National Park Service, and crosses Indian Reservations and parcels of State and private property.

The Pacific Crest National Scenic Trail, stretching 2,600 miles from Canada to Mexico, traverses some of the most magnificent back country in the States of Washington, Oregon, and California. The Trail treks over hills and through valleys, ranging in elevation from near sea level at the Columbia River to more than 13,000 feet near Mount Whitney. The path wanders across canyons, meanders by lakes, climbs mountain passes, and navigates through arid desert. A significant 42-mile section in southern Oregon is managed by the BLM.

National Outstanding Natural Areas: National Outstanding Natural Areas are areas designated either by Congress or administratively by an agency to preserve exceptional, rare, or unusual natural characteristics and to provide for the protection and/or enhancement of natural, educational, or scientific values. These areas are protected by allowing physical and biological processes to operate, usually without direct human intervention. The BLM manages one such area, the Yaquina Head National Outstanding Natural Area, consisting of 100 acres.

The Yaquina Head National Outstanding Natural Area located in Newport, Oregon, was established by Public Law 96-199 on March 5, 1980. Yaquina Head encompasses a mile long by one-half mile wide headland that juts due west into the Pacific Ocean. It is dominated by the Yaquina Head Lighthouse, a National Historic Register structure. The natural resources include one of four Marine gardens in Oregon, one of the largest seabird rookeries on the Pacific coast, the world's only manmade handicapped-accessible tidepools (in a restored quarry), marine mammal resting sites, and gray whale viewing, as well as bird and wild flower viewing opportunities in the uplands.

Yaquina Head has been designated as a Globally Important Bird Area by the American Bird Conservancy and the National Audubon Society. The area, which is bordered by sheer cliffs rising 100 feet or more above the ocean, features sea caves and numerous off-shore rocks and islands, making the site spectacular to view under all weather conditions.

Herd Management Areas: The Wild Horse and Burro Act of 1971 established Herd Management Areas (HMAs) for wild and free-roaming horses and burros present in these areas at the time. The BLM manages 199 HMAs in ten western States: Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, and Wyoming. The current population of wild horses and burros on the range in these States is approximately 43,000 animals. Most horses and HMAs are in Nevada. Burros are concentrated in the warmer sections of Arizona, California, and southern Nevada.

There are approximately 33.2 million public land acres designated for these wild and free-roaming animals. An additional 9.8 million acres of private land are included in the HMAs, for a total of 43 million acres. Monitoring and census occurs on a large portion of these areas each year. Through rangeland monitoring and the subsequent setting of animal numbers in balance with other rangeland users, appropriate management levels are set for each of these HMAs. As the health of the land improves, the health of the herds is improving as well.

National Monuments: A National Monument is an area designated to protect objects of scientific and historic interest by public proclamation of the President under the Antiquities Act of 1906, or by the Congress for historic landmarks, historic and prehistoric structures, or other objects of historic or scientific interest situated upon the public lands; designation also provides for the management of these features and values. The BLM manages one monument.

The Grand Staircase-Escalante National Monument, created by Presidential Proclamation on September 18, 1996, is a dramatic, multi-hued landscape that is rich in natural and human history. Extending across 1.7 million acres of Utah public lands managed by the BLM, the Monument represents a unique combination of archeological, historical, paleontological, geological, and biological resources. The Monument is unique among the public lands of the United States. Its size and geology, along with the scientific value of its lands, set it apart from other national monuments.

Areas of Critical Environmental Concern: Areas of Critical Environmental Concern (ACECs) are areas where special management is needed to protect important historical, cultural,

The BLM's Grand Staircase-Escalante National Monument encompasses 1.7 million acres of dramatic, multi-hued landscapes. *(BLM file photo)*

scenic, and natural areas, or to identify areas hazardous to human life and property. A total of 696 ACECs encompassing more than 10 million acres have been designated on the public lands nationwide. Approximately 7 million acres of this total have been designated to protect their biological resource values. Table 5 shows the location, number, and acres of ACECs, which are designated and protected through the land-use planning process.

Table 5 - Areas of Critical Environmental Concern

Jurisdiction	Number of ACECs	Number of Acres
Alaska	41	4,224,562
Arizona	49	634,621
California	120	1,363,829
Colorado	66	621,427
Eastern States	1	54
Idaho	77	512,238
Montana	26	117,166
Nevada	7	134,236
New Mexico	76	431,093
Oregon	168	557,142
Utah	47	1,097,619
Wyoming	36	677,595
Totals	696	10,371,582

National Natural Landmarks: The BLM manages 43 National Natural Landmarks encompassing close to 600,000 acres of public land. These special management areas are of national significance as sites that exemplify one of a natural region's characteristic biotic or geologic features. The site must have been evaluated as one of the best known examples of that feature.

National Natural Landmarks must be located within the boundaries of the United States or on the Continental Shelf and are designated by the Secretary of the Interior. To qualify as a National Natural Landmark, the area must contain an outstanding representative example(s) of the Nation's natural heritage, including terrestrial communities, aquatic communities, landforms, geological features, habitats of native plant and animal species, or fossil evidence of the development of life on earth.

Research Natural Areas: Research Natural Areas are special management areas designated either by Congress or by a public or private agency to preserve and protect typical or unusual ecological communities, associations, phenomena, characteristics, or natural features or processes for scientific and educational purposes. They are established and managed to protect ecological processes, conserve biological diversity, and provide opportunities for observation for research and education.

Research Natural Areas may be designated separately or as a part of other administrative designations such as Areas of Critical Environmental Concern. Research proposals and activities may be allowed if they do not interfere with natural processes. These areas may consist of diverse vegetative communities, wildlife habitat, unique geological formations, cultural resource values, and other values identified by physiographic province as outlined in State or agency natural heritage planning documents. The BLM manages 100 Research Natural Areas comprising over 326,000 acres.

National Recreation Trails: National Recreation Trails do not require congressional approval; they are established administratively by the Secretary of the Interior. These trails are intended to provide for a variety of outdoor recreation uses in or reasonably close to urban areas. They often serve as connecting links between the National Historic Trails and National Scenic Trails. The BLM manages over 400 miles along 26 National Recreation Trails.

In addition to being reasonably accessible to urban areas, a trail must meet three other criteria to be designated as a National Recreation Trail:

- It must meet the criteria established in the National Trails System Act.
- No Federal land acquisition can be involved.
- If the designation is on privately owned lands, the property owner must provide written consent.

National Recreation Trails belong to the National Trails System created by Congress in 1968. More than 800 National Recreation Trails currently exist nationwide. The BLM's National Recreation Trails encompass incredibly diverse landscapes, from the depth of Horsethief Cave in Wyoming to the 9,000-foot crest of Bald

Mountain in Idaho. The length of National Recreation Trails ranges from one-half mile to 150 miles.

National Back Country Byways: The BLM manages 69 designated National Back Country Byways totaling over 3,500 miles in 11 States. The Back Country Byway program was developed by the BLM to complement the National Scenic Byway program. The Byways show enthusiasts the best the West has to offer—from the breathtaking thunder of waterfalls to geology sculpted by ancient volcanoes, glaciers, and rivers. The Byways vary from narrow, graded roads, passable only during a few months of the year, to two-lane paved highways providing year-round access.

The BLM's Back Country Byways provide outstanding recreation opportunities through public lands ranging from soaring mountains and alpine meadows, to sagebrush prairie and saguaro cactus desert. Many of these routes are remote and little-known, providing solitude and spectacular scenery.

Back Country Byways explore Oregon's lush Coast Range, thread over Colorado's lofty San Juan Mountains, follow Lewis and Clark's epic journey across Montana and Idaho, pass ancient Anasazi petroglyphs in Utah, and border the Rio Grande's wild gorge in New Mexico. Travelers can find old forts, ghost towns, fossils, wildlife, hot springs, and dormant volcanoes along these narrow ribbons through the Nation's public lands.

Spectacular scenery, historic ghost towns, and four-wheel-drive roads make a tour of Colorado's Alpine Loop a high-country treat. *(photo by Rick Athearn (retired), BLM's Colorado State Office)*

Globally Important Bird Areas: Globally Important Bird Areas (IBAs) consist of a network of sites and areas in North America identified and protected to maintain naturally occurring bird populations across the ranges of those species. IBAs are important for maintaining critical habitats and ecosystems. This network of areas represents areas critical to the conservation of some bird species and may include the best examples of the species' habitat. IBAs are established to ensure species' survival.

The BLM manages two IBAs encompassing approximately 56,000 acres. The two areas are the San Pedro Riparian National Conservation Area in Arizona and the Yaquina Head National Outstanding Natural Area in Oregon.

United Nations Biosphere Reserves: The BLM manages one United Nations Biosphere Reserve in California consisting of approximately 2,000 acres. Biosphere reserves are areas of terrestrial and/or coastal/marine ecosystems that are internationally recognized within the framework of the United Nations Educational, Scientific, and Cultural Organization Program on Man and the Biosphere. Reserves are nominated by national governments and must meet specific criteria and conditions before being admitted to the network.

Net Change in Natural Heritage Assets from 1996 to 1997

The net change in natural heritage designations from fiscal year 1996 to fiscal year 1997 includes the following: (1) the number of acres included as Wilderness Study Areas increased by 619,966 acres, even though the number of areas did not change; (2) the number of acres designated as Wilderness increased by 24,303 acres, even though the number of Wilderness Areas remained the same; (3) Areas of Critical Environmental Concern increased by four areas and 346,982 acres; and (4) Back Country Byways increased by five byways and 339 miles.

Museum Collections

Museum collections under BLM's stewardship consist of archaeological, paleontological, and natural history materials.

- Archaeological materials include the material remains of past human life and activities. They include such objects as skeletal remains; wood, stone, and metal tools; weapons and decorative objects; portions of buried structures; and plant remains.

- Paleontological materials are the fossilized remains or traces of plant or animal life from past geological periods.

- Natural history materials are collections of recent plant and animal specimens used for research and study.

Table 6 summarizes the number of repositories holding collections from the BLM public lands and the condition of heritage assets under the stewardship of the BLM.

Table 6 - Number of Repositories and Condition of Museum Collections

Location	Number of Repositories	Condition [1]
Non-Federal Repositories	Approximately 220	Safeguarded and Unimpaired
Federal Repositories	2	Safeguarded and Unimpaired

1 The condition classification "safeguarded and unimpaired" connotes that the collections are in secured facilities and their condition has not been materially degraded, i.e., the condition of individual specimens (e.g., pottery shards, fossil pieces, plant remains, etc.) in the collection is similar to when they were originally deposited in the repository.

Collections in Non-Federal Repositories

Scientific investigations have been taking place on what is now BLM-administered land for almost two centuries. During this time, the individuals and institutions conducting this work have removed millions of objects, primarily archaeological, physical anthropological, historical, and paleontological materials. The bulk of these materials were transported to non-Federal repositories, including museums, universities, and historical societies. To date, the BLM has identified at least 220 of these non-Federal repositories where untold millions of objects originating from the public lands reside. Among Federal agencies, the BLM is in the unique and unenviable position of being responsible for the largest number of museum collections in non-Federal repositories. This responsibility stems from the requirement for any archaeological or paleontological materials removed from the public lands to be held in public trust in perpetuity.

Because such a large number of BLM museum collections are housed in non-Federal repositories, the relationship with these curatorial facilities is crucial to the continued management and protection of these collections. These institutions provide access to researchers and scientists, develop public displays utilizing these collections, and, in the eastern United States, make collections accessible to segments of the population that might not otherwise be able to view such materials.

In some instances, a substantial portion of the collections in non-Federal institutions is composed of museum objects originating from BLM public lands—approximately 85 percent in some museums in Utah. These facilities agreed to assume responsibility for collections prior to the development of the regulations found in 36 CFR Part 79, which imposed an unanticipated and substantial burden on non-Federal repositories to more systematically account for and preserve museum collections.

Collections in Federal Repositories

In addition to the millions of objects residing in non-Federal repositories, the BLM curates at least 3.5 million more objects in two BLM facilities—the Anasazi Heritage Center in Dolores, Colorado, and the Billings Curation Center in Billings, Montana.

Anasazi Heritage Center: The Anasazi Heritage Center focuses on the preservation of, access to, and use of archaeological collections and archives, as well as supporting and providing exhibits and interpretive programs. Anasazi Heritage Center programs promote:

- An understanding of the cultural landscape of the Four Corners in broad context;

- An understanding of the varied human populations through time and their interaction with each other and the resources of the land;

- An awareness of the Anasazi Heritage Center's role in supporting the continuity of cultural diversity in the region; and

- An understanding and appreciation of the diverse patterns of living in the cultural landscape.

At the close of fiscal year 1997, the Anasazi Heritage Center's collections were estimated to consist of 2.5 million specimens, 99 percent of which were judged to be in good condition. Sixty percent of the 2.5 million specimens are entered in the Argus collections management database system. At the present time, the collection at the Anasazi Heritage Center occupies a total of 11,300 square feet of space.

Billings Curation Center: The Billings Curation Center was established to curate artifacts and records collected from public lands in Montana, North Dakota, and South Dakota. The Center was created as a result of a 1984 study that found that curation space in these States was inadequate. The Center is jointly funded by the Missouri Region of the Bureau of Reclamation, the Custer National Forest, the Bureau of Indian Affairs, and BLM's Montana State Office. The Center is operated by a curator supervised by BLM's Montana State Office archaeologist.

The Billings Curation Center holds approximately 1 million artifacts and records from public lands in the three-State area identified above. These collections represent nearly 12,000 years of prehistory and history in the Northern Plains.

Paleontological Collections

Paleontological material is another important aspect of BLM's museum collections. The public lands managed by the BLM have served as our Nation's greatest outdoor laboratory and classroom for investigating the fascinating history of life on earth. Fossils from America's public lands have contributed significantly to scientific research and public education projects. Many of the earliest described and most widely known dinosaurs, such as Apatosaurus, Stegosaurus, and Allosaurus, came from the public lands.

Fossils from the public lands and the information they contain contribute to outstanding public exhibits such as the New Mexico Museum of Natural History's "Robledo Mountains Trackway," the Denver Museum of Natural History's "Prehistoric Journey," and Montana's Museum of the Rockies exhibits of carnivorous dinosaurs.

Net Change in Museum Collections from 1996 to 1997

The purpose for collecting museum objects is to preserve, document, research, interpret, and exhibit the material evidence of our universe and its past. Through exhibition, demonstration, interpretation, and publication using museum objects or data derived from them, the public is educated and knowledge is disseminated. Museum collections may consist of one object, several objects, or curatorial lots (i.e., fragments of an object or objects, such as ceramics, stone tools [debitage], bone [hunting sites], fire-cracked rock, archaeological refuse materials [middens], etc.), as well as soil samples, carbon samples, and botanical specimens.

Approximately 99 percent of all museum collections originating from BLM-administered lands are housed in non-Federal repositories that the BLM has only limited control over and limited access to. The BLM provides little or no

Fossils from BLM-managed public lands are featured in outstanding museum exhibits across the Nation.
(BLM file photo)

funding to these non-Federal repositories, which are usually located in the general vicinity of the area where the objects are excavated. Collections in these non-Federal repositories usually have the most meaning to local populations.

Because objects are excavated from the public lands constantly, the BLM can state there has been a net increase in the number of collections. However, limited control and access make it impossible for the BLM to count all the objects added to collections. In addition, it has never been general museum practice to perform annual inventories of museum collections.

Heritage Properties

The lands administered by the BLM are some of the most culturally diverse and scientifically important lands managed by any Federal agency. The Bureau is responsible for protecting and preserving paleontological localities and archaeological and historical sites, as well as the museum objects excavated or collected.

Paleontological Properties

Since the early 1800s, professional and amateur paleontologists have made discoveries that helped launch the new scientific discipline of paleontology in America, and filled our Nation's new museums of natural history with the remains of spectacular creatures that have captured the public's imagination.

Today, the public lands continue to provide paleontological resources that fuel scientific discovery and evoke public wonder. Guided by laws such as FLPMA, the BLM manages these fragile and non-renewable resources in the public trust not only to assure preservation of their scientific values, but also to see that their public educational and recreational values are realized. While the BLM takes paleontological resources into account on all public lands, over 50 specially designated areas, such as Research Natural Areas, Areas of Critical Environmental Concern, and National Natural Landmarks totaling nearly 300,000 acres, are managed wholly or in part for their outstanding paleontological values.

The BLM manages a number of publicly accessible and interpreted paleontological sites such as the Cleveland-Lloyd Dinosaur Quarry, the Trilobite Trail, and the Trail Through Time. To meet public demands for recreational opportunities, the BLM makes most public lands available for collecting invertebrate fossils and limited amounts of petrified wood.

Cultural Properties

The BLM is steward for the Federal government's largest, most varied, and scientifically most important body of archaeological and historical resources—an estimated 4 to 4.5 million cultural properties. These range in age and include various early human occupation sites, including celebrated sites such as:

- The 11,700-year-old Mesa Site in the Brooks Range;
- The comparably old Mill Iron and Lehner sites in Montana and Arizona, respectively;
- The prehistoric Anasazi complex of the Southwestern United States;
- The remains of Spanish period exploration and settlement;
- The traces of buffalo soldiers at Western forts; and
- The more recent historic sites documenting westward migration and the histories of ranching, railroading, homesteading, and even military maneuvers in anticipation of and preparation for World War II.

Students of Native American cultures can view excavated artifacts from Four Corners tribes and tour two in-place archaeological sites at the Anasazi Heritage Center.
(photo by Rick Athearn (retired), BLM's Colorado State Office)

Only a small number of the approximately 212,000 archaeological and historical properties recorded through the end of fiscal year 1997 have been nominated to the National Register of Historic Places. The National Register is America's official listing of sites important to history and prehistory. It includes districts, sites, buildings, structures, and objects that are significant in history, architecture, archaeology, engineering, and culture. These resources contribute to the understanding of the historical and cultural foundations of the Nation.

Currently, there are 241 BLM cultural properties listed in the National Register. These 241 properties encompass 3,301 contributing properties, including 22 National Historic Landmarks. Table 7 summarizes the number and condition of the cultural properties under the BLM stewardship.

Table 7 - Number and Condition of Cultural Properties

Type of Cultural Property	Number of[1] Properties	Condition
National Historic Landmarks	22	Good
National Register of Historic Places	241 Properties 3,301 Contributing Properties	Good
World Heritage Properties	5	Good
Recorded but Undesignated	212,000	Fair to Excellent

1 The BLM does not use cultural properties in its day-to-day government operations.

"Adventures in the Past" is BLM's umbrella program for promoting public education and awareness and for encouraging public participation in protecting cultural resources. The goals of "Adventures in the Past" include increasing public appreciation and knowledge of cultural resources, promoting public stewardship of cultural resources, and reducing the threat to these resources. These goals have their basis in law.

"Adventures in the Past" responds to Section 10(c) of the Archaeological Resources Protection Act. This law requires Federal agencies to develop outreach programs to explain the importance and value of the Nation's cultural legacy, and to enlist the public's assistance in cultural resource protection.

The BLM's national historic preservation program is founded in part on the following policy statements contained in Section 2 of the National Historic Preservation Act: "It shall be the policy of the Federal Government, in cooperation with other nations and in partnership with the States, local governments, Indian Tribes, and private organizations and individuals to . . . administer federally owned, administered, or controlled prehistoric and historic resources in a spirit of stewardship for the inspiration and benefit of present and future generations."

Net Change in Heritage Properties from 1996 to 1997

There were no new heritage property designations during fiscal year 1997.

Supplemental
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A population of black-footed ferrets, an endangered species, is thriving on the plains of South Phillips County in Montana, thanks to a Federal reintroduction project. *(BLM file photo)*

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United States Department of the Interior

OFFICE OF INSPECTOR GENERAL
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JAN 16 1998

Memorandum

To: Director, Bureau of Land Management

From: Robert J. Williams
Assistant Inspector General for Audits

Subject: Report on Bureau of Land Management Consolidated Comparative Financial Statements for Fiscal Years 1996 and 1997

In accordance with the Chief Financial Officers Act of 1990, we audited the Bureau of Land Management's consolidated comparative financial statements for the fiscal years ended September 30, 1996, and 1997, as contained in the Bureau of Land Management's accompanying "1997 Annual Report." These financial statements are the responsibility of the Bureau of Land Management, and we are responsible for expressing an opinion, based on our audit, on these financial statements.

Our audit was conducted in accordance with the "Government Auditing Standards," issued by the Comptroller General of the United States, and with Office of Management and Budget Bulletin 93-06, "Audit Requirements for Federal Financial Statements," and was completed on December 19, 1997. These audit standards require that we plan and perform the audit to obtain reasonable assurance as to whether the accompanying financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and accompanying notes. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit work provides a reasonable basis for our opinion.

We found that the consolidated comparative financial statements and the accompanying notes present fairly the Bureau of Land Management's assets, liabilities, and net position; revenue; expenses; financing sources; and changes in net position. We also found that these consolidated comparative financial statements are presented in conformity with the accounting standards and policies described in the notes to the financial statements. Further, the supplemental financial statements for fiscal years 1996 and 1997, which follow the notes to the financial statements, were subjected to the auditing procedures applied in the audit of the consolidated comparative financial statements and are fairly stated in relation to the financial statements taken as a whole. The stewardship assets and supplemental information that follow the Consolidating Comparative Statements by Fund Type were not subjected to the

auditing procedures applied to the audit of the consolidated financial statements, and accordingly, we express no opinion on this information.

Management of the Bureau of Land Management is responsible for establishing and maintaining an internal control structure, which we evaluated as part of our audit. In performing the evaluation, we obtained an understanding of the relevant control policies and procedures, assessed the importance of their proper functioning, and tested whether they had been operating as designed. We also reviewed the Bureau's most recent report required by the Federal Managers' Financial Integrity Act of 1982 and compared it with the results of our evaluation of the Bureau's internal control structure.

We found that the Bureau's internal control structure in effect on September 30, 1997, was sufficient to safeguard assets against loss from unauthorized use or disposition; ensure that transactions were properly recorded, processed, and summarized; and provide reasonable assurance that any losses, noncompliance, or misstatements that are material to the financial statements would be detected. However, losses, noncompliance, or misstatements may occur and not be detected because of inherent limitations in any system of internal controls. We also caution that projecting our evaluations to future periods is subject to the risk that controls or the degree of compliance with the controls may diminish.

We performed tests of the Bureau of Land Management's compliance with certain provisions of laws and regulations specified in Bulletin 93-06, as amended, noncompliance with which could have a direct and material effect on the determination of amounts in the financial statements. In planning and performing our tests of compliance, we considered the implementation guidance issued by the Office of Management and Budget on September 9, 1997, relating to the Federal Financial Management Improvement Act of 1996. With respect to the Act, we believe that the tests performed provide sufficient evidence to support an opinion on compliance. However, providing an opinion on compliance with certain provisions of laws and regulations was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our test of compliance with the laws and regulations described in the preceding paragraph disclosed no instances of noncompliance that are required to be reported under "Government Auditing Standards."

We reviewed the financial information presented in the Bureau of Land Management's overview in order to determine whether the information was consistent with the financial statements. Based on our review, we determined that the information in the overview and the financial statements was consistent.

Our review of prior Office of Inspector General and General Accounting Office audit reports disclosed that there were no significant unresolved or unimplemented recommendations which affected the Bureau's financial statements.

FORM APPROVED
OMB NO. 1004-0172

COMMENT CARD

Comment Card

Expires: April 30, 1998

The Bureau of Land Management (BLM) prepares reports to share various types of information; some are in compliance with Federal requirements, while others are updates on BLM activities. Our purpose and goal for this Comment Card is to generate feedback on the content and presentation of BLM publications. Your reaction to this Report will be helpful in preparing future publications and your response is strictly voluntary. This Comment Card is a pre-addressed self-mailer: fold as indicated on the reverse side. The BLM would like you to know that you do not have to respond to this, or any other, Federal agency-sponsored information collection unless it displays a currently valid OMB control number; see upper-right corner of this page.

Report Title: BLM FY 1997 Annual Report	<Needs Major <Improvement						Excellent>
1. I found the information in this report to be very useful.	1	2	3	4	5	6	7
2. The information in the report was well prepared/organized.	1	2	3	4	5	6	7
3. The report was timely.	1	2	3	4	5	6	7
4. How would you rate your overall satisfaction with this report?	1	2	3	4	5	6	7

5. What changes would you like to see? (circle all that apply)

   a. Shorter b. More Detail c. More Plain English d. More Graphics e. More Artwork

   f. Other _____

6. What portion of the report was most useful to you? (circle all that apply)

   a. Introduction b. Blueprint Goal Accomplishments c. Financial Statements

   d. Stewardship Assets e. Other _____

7. What is your primary interest in the Bureau of Land Management? (circle one)

   a. Citizen/Taxpayer b. Senator/Congressional Representative c. Member of the Media
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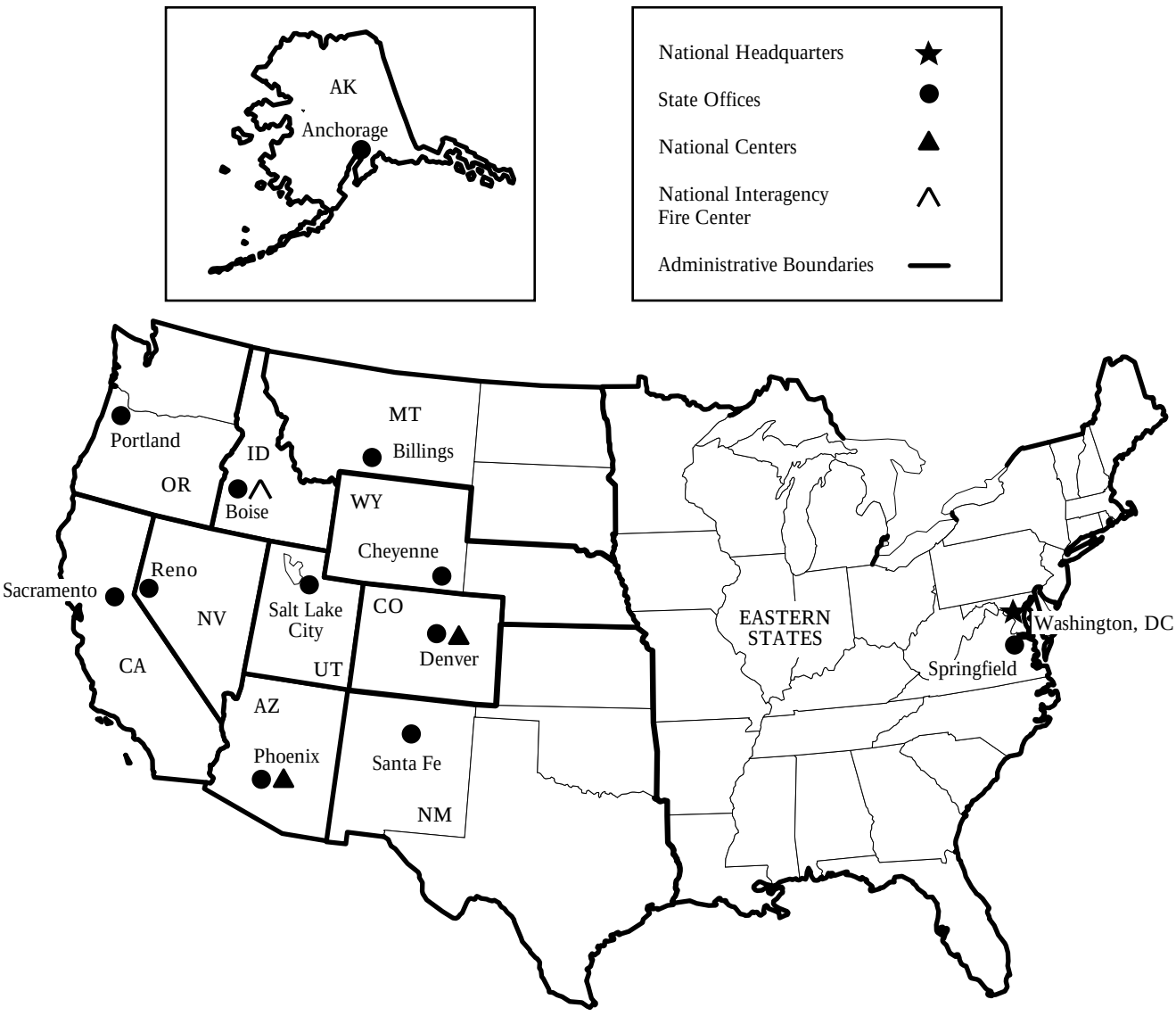

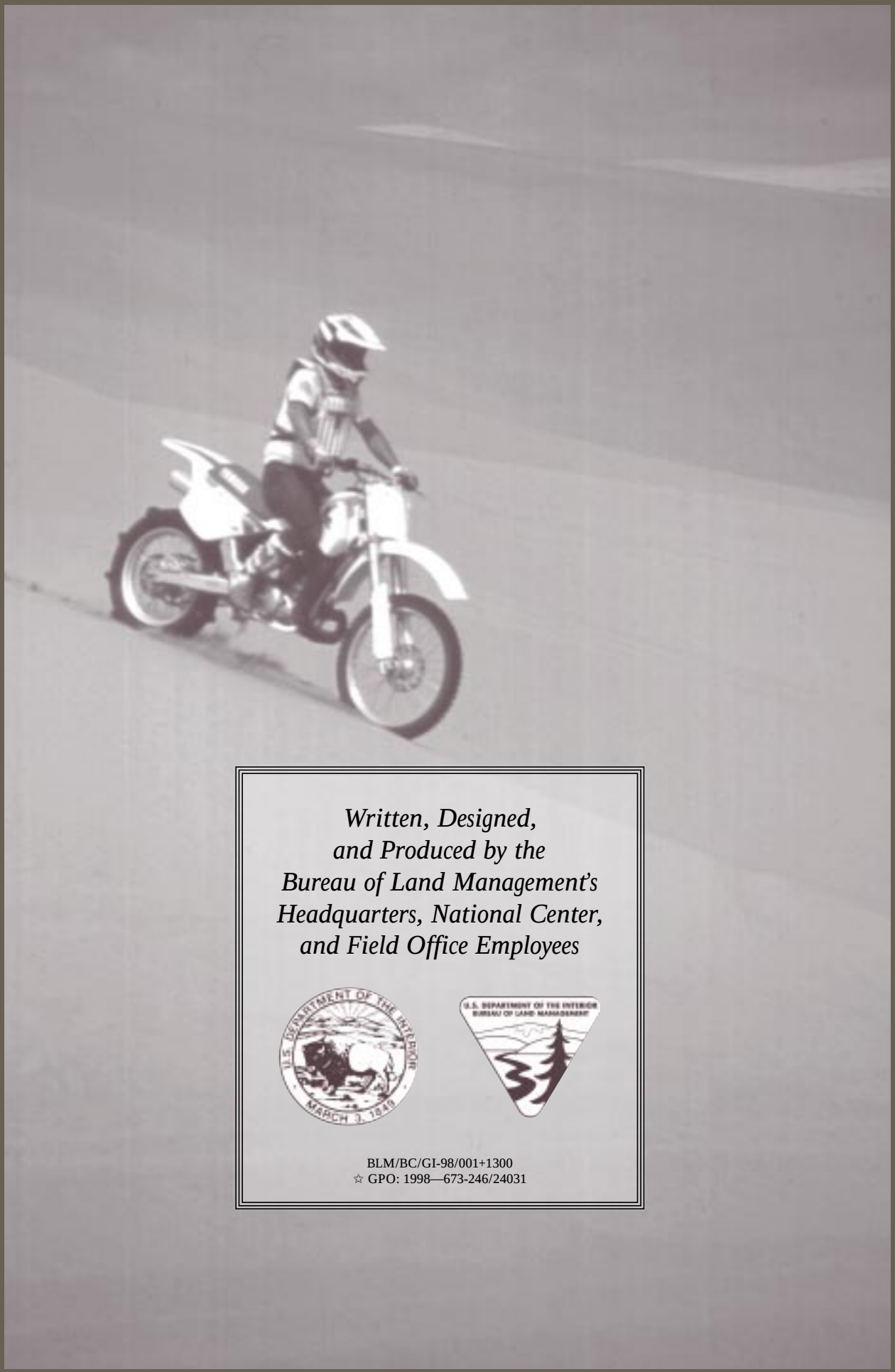

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